

IFI
Istituto Finanziario Industriale

Annual report 2004

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This is an English translation of the Italian original document "Relazioni e Bilanci 2004" approved by the IFI Board of Directors on March 30, 2005, 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 2004" containing the Directors' Report on Operations and the Consolidated and Statutory financial statements also available on the corporate website: <http://www.gruppoifi.com>.

Board of Directors

| | |
|------------------------|--|
| <i>Chairman</i> | Gianluigi Gabetti |
| <i>Deputy Chairman</i> | Pio Teodorani-Fabbri |
| <i>Directors</i> | Annibale Avogadro di Collobiano John Elkann Luca Ferrero Ventimiglia (*) Gabriele Galateri di Genola Franzo Grande Stevens Andrea Nasi Lupo Rattazzi |

(*) Coopted by the Board of Directors meeting on June 23, 2004.

| | |
|-------------------------------|----------------------|
| <i>Secretary to the Board</i> | Pierluigi Bernasconi |
|-------------------------------|----------------------|

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 bylaws (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.

CHAIRMAN'S LETTER

To our Shareholders

In 2004, overall, the global economy reported steady growth. According to the International Monetary Fund, GDP growth worldwide increased by more than 5% and international trade rose by approximately 10% in terms of quantity. In the United States, GDP, which by itself represents one fifth of the world's wealth, increased by 4.4%.

The recovery was largely focused in South-East Asia and North America, whereas, in Europe, the economy continued to mark time. Sharp increases in the prices of energy-related raw materials did not lead to a marked acceleration in consumer prices in industrialized countries, thus allowing monetary policies to continue their expansive trend.

According to most economic forecasts, in 2005, once again, Asia and the United States should provide the main impetus for world growth, confirming current trends. However, there are also those who disagree, who question the effective state of health of the world economy and who detect worrying signs in the structural weaknesses of the traditional "locomotive" of the planet: namely, the United States. In the opinion of many observers, unless suitable corrective measures are implemented, the problems highlighted by the United States could lead to a serious imbalance in world trade and finance, which would seriously jeopardize the future growth of many countries.

During 2004, the "twin deficit", which constitutes the main problem of the American economy, deteriorated: the national debt and the balance of trade deficit reached 4.3% and 6.3% of GDP, respectively. Although this is certainly a serious phenomenon, it is not new, and can usually be explained by a series of well-known causes: the war in Iraq, the price of crude oil, a policy of tax incentives, on the one side; the increase in global competitiveness and the aggressive nature of the Asian economy, particularly the Chinese economy, on the other.

But, in fact, it is not the phenomenon in itself which is causing alarm, rather the apparent ineffectiveness of the counter-measures that have been implemented so far. American exports have continued to stagnate, whereas imports – especially from China – have increased considerably.

Until now, the continuous shift of wealth towards Asia has so far found compensation in the refinancing of the American national debt by the central banks of the countries concerned, but this "virtuous circle" - which only benefits the U.S.A. – cannot continue indefinitely. The decision of the Federal Reserve to raise interest rates can thus be interpreted as having two aims: to contain the risks of inflation in the North American economy and, at the same time, to increase the profitability of investment in Treasury bills, to avoid any possibility that such a mass of debt should remain uncovered. A hypothesis which could have disastrous consequences for all the industrialized countries.

Although economists are divided in their assessment of what the future holds for the U.S. economy, the diagnosis of the situation in Europe seems, unfortunately, to be unanimous. Also in 2004, the optimistic expectations of growth for Europe were not fulfilled. On average, growth in the eurozone was 1.8%. In the last quarter of 2004, there was a slowdown of the overall GDP, caused mainly by a contraction of the German and Italian economies. The weakness of internal demand was a contributory factor in the slow growth of these two countries. The gradual gain in value of the euro against the U.S. dollar and currencies linked to the dollar (China, the Far East) severely penalized the other potential growth factor: exports. The European institutions were slow to define a monetary policy and initiatives to combat the growth of the super-euro against the dollar and the Asian currencies. Fortunately they responded to pleas from the leading European economies to make changes to the Stability Pact. The revised plan should ensure greater flexibility and make it possible to take account of the adverse economic situation so that stability, seen as a target that will take several years to achieve, can be combined with structural reforms and significant investments in the public sector.

In Italy, the weakness of net exports was accompanied by a standstill in productivity, which affected potential growth of the country. Loss of competitiveness was manifested in foreign trade, which, for the first time since 1992, reported a deficit, partly as a result of the increase in the price of crude oil. The persisting difficulties in the manufacturing sector were another sign that all was not well.

Apart from lower production, there were numerous factors which resulted in a loss of competitiveness: the nature of the Italian market (the fact that the work force represents a small percentage of the overall population, the inflexibility of the labor unions, high pension and health costs which make the Clup (the cost of labor per unit of product) higher

than that of our competitors; the fact that our companies tend to be of a modest size, which prevents them from achieving significant economies of scale; the prevalence of traditional industry and a low level of technology, now a "typical" characteristic of our country, together with the persisting phenomenon of the underground economy; the lack and obsolescence of our infrastructures (especially in transportation and logistics); the limited efficiency or high cost of services; less possibility of resorting to the bond market following several corporate scandals; and, finally, the difficulty of financing new industrial initiatives by subtracting resources from "safe" (but unproductive) investments and thus refueling the virtuous circle of capital and business.

Today, we have become more aware of these problems: unfortunately, although the measures that have been recently adopted or which will be adopted shortly are a step in the right direction, they are not enough to solve the problems due to the fact that the funds that have been made available for the purpose are not sufficient, since the objectives are many and highly diversified.

The aims of the decree law and the bill on competitiveness are all valid, but, in order to combat the decline or malaise of our industrial system we should give priority to and set aside more resources for measures that will have a greater impact on businesses: IRAP tax reductions, grants for innovation and research, expansion of infrastructures, simplification of bureaucratic and administrative procedures, augmenting social "shock absorbers", partly with a view to implementing more far-reaching, urgent measures that will allow industrial restructuring to take place.

IFIL closed 2004 on a positive note, reporting a profit of € 38 million in the statutory financial statements and € 117 million in the consolidated financial statements. The improvement compared to the prior year, which ended with a profit of € 15 million for the company and € 130 million for the Group, was made possible by the positive results announced by both the IFIL Group and Exor Group, of € 119 million and € 93 million, respectively.

Having implemented the restructuring process in 2003, in its capacity as operating holding company of the Group, IFIL implemented the strategies that would lead to the reorganization and appreciation of the investment portfolio which the difficult international context and the situation of some of the investment holdings demanded.

In particular, we would like to mention the measures adopted at Fiat, where the severe nature of the problems involved demanded the utmost attention and commitment: changes in top management, the definition of a clear industrial perimeter and a more streamlined structure and responsabilization of management so that it can act and intervene more rapidly. When the Fiat Group reached operational breakeven in 2004, it was an important step within the broader plan to relaunch the company, which involves all sectors. The decision to end the alliance with General Motors, which took place in the first months of the current year, made it possible to generate significant financial inflows and to regain the strategic freedom needed for its future development.

The monetization of the investment in Rinascente represents one of the most important transactions in the history of IFIL. The food activities were sold to Auchan and the textile sector was later sold by auction, which attracted the major Italian and foreign industrial and financial operators. The enormous financial resources thus acquired by the company will, first of all, allow the company to reduce its existing debt but, foremost, will constitute the necessary presuppositions for development in terms of new investments.

IFIL's strategic objective remains an equilibrated and constant return for its stockholders commensurate with the economic performance of the sectors and the countries in which the subsidiaries operate. With this in mind, faced with the persisting weakness of the economies in the European area, IFIL opened new offices in New York and Hong Kong to seize the opportunities that could be offered by the greater growth of the American and Asian areas.

As for its part, Exor Group continued in the strategy to monetize its investments, selling the residual stake in Société Foncière Lyonnaise and – together with the IFIL Group, the respective interests held – in that of Club Méditerranée. The aim of the company is now directed to the growth of the remaining investments (Graphic Packaging, in particular) and the management of the cash resources that came from the divestitures concluded during the last few years.

Finally, along with the Board of Directors, I would like to thank the Stockholders for their loyalty, the Statutory Auditors and the Independent Auditors for the care employed throughout their mandate, and the Executives as well as Employees of the company and the subsidiaries for their excellent contribution.

Gianluigi Gabetti

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.az. The Company's assets are represented by investments in IFIL Investments S.p.A. (the new name of IFIL – Finanziaria di Partecipazioni S.p.A.), equal to approximately 63% of ordinary capital stock, and in Exor Group, equal to 29.3% of capital stock.

IFIL Investments is the investment 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), agricultural and construction equipment (CNH Global), commercial vehicles (Iveco), automotive components for these vehicles and the supply of related services (Magneti Marelli, Comau and Teksid), as well as publishing and communications (Itedi) and services for corporations (Business Solutions).

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

Worms & Cie (52.96% 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 European group in the distribution of paper products for printing and writing;
- Permal Group (77% holding), one of the leaders in the management of investment funds;
- SGS (23.8% holding), a company listed on the Swiss stock exchange and leader in the verification, inspection and certification of product and service quality;

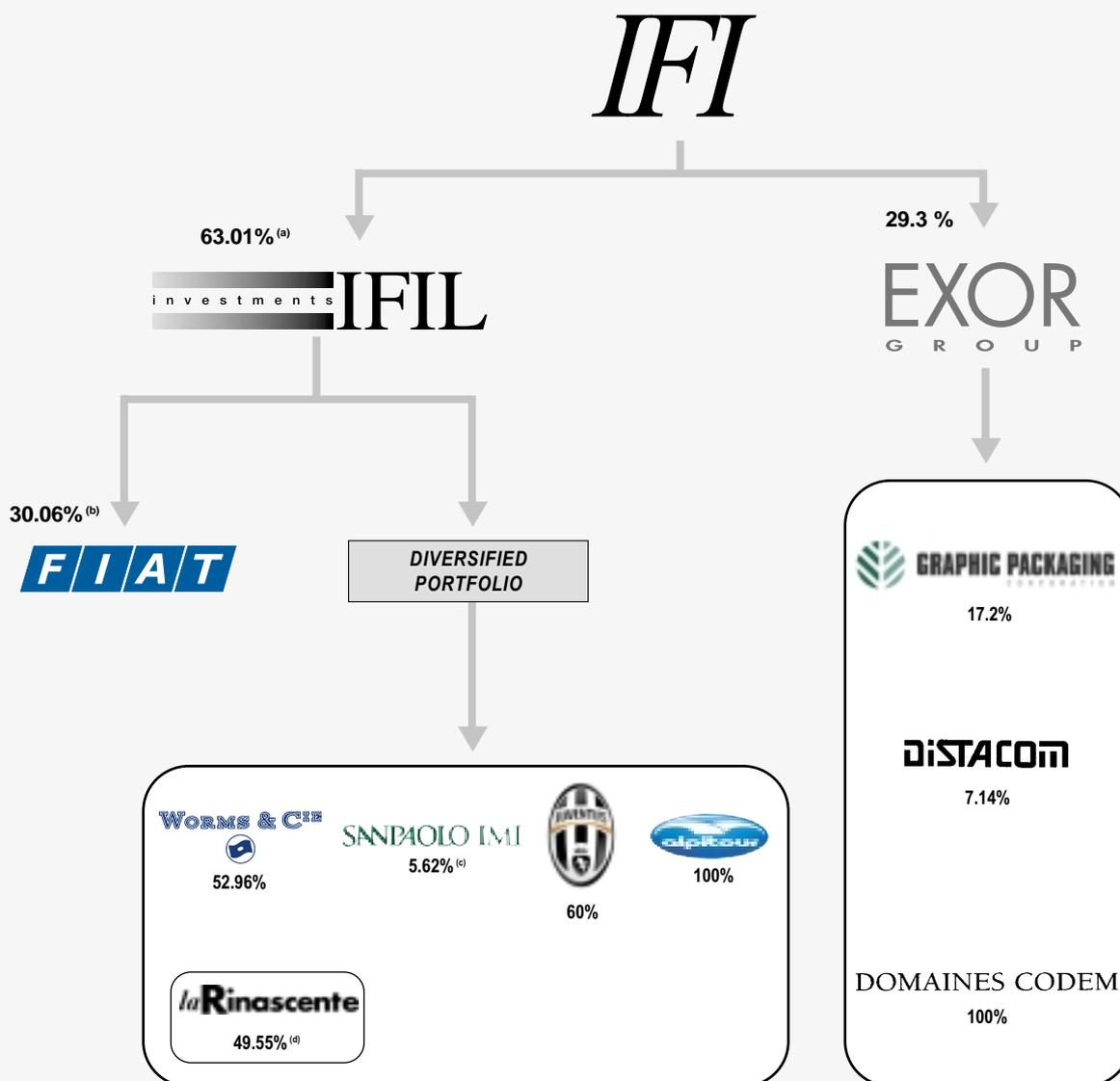
SANPAOLO IMI (5.62% holding by IFIL of ordinary capital stock) is a leading national banking group with over 3,000 branches throughout Italy;

Alpitour (100% holding) is the leading group in Italian tourism;

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

Exor Group is a Luxembourg holding company; its principal investments are the 17.2% stake in Graphic Packaging Corporation (a listed U.S.A. company in the packaging sector), the 100% holding in Domaines Codem (a French wine company) and the 7.14% stake in Distacom (a company headquartered in Hong Kong operating in the telecommunications sector).

The following chart is updated to the end of March 2005 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



- (a) IFI also holds 2% of savings capital stock.
- (b) IFIL also holds 30.09% of preferred capital stock.
- (c) Equal to 4.45% of capital stock.
- (d) Subject of the contract of sale to Tamerice S.r.l. dated March 13, 2005. The percentage is calculated on capital stock.

KEY OPERATING AND FINANCIAL DATA

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

IFI GROUP

| Condensed consolidated figures (a) | | | | | |
|--|--------------|-------|-------|-------|-------|
| € in millions | 2004 | 2003 | 2002 | 2001 | 2000 |
| Consolidated net income (loss) - Group | 117 | (130) | (803) | 164 | 218 |
| Share of earnings (losses) of holdings and dividends | 130 | (117) | (740) | 113 | 238 |
| Financial fixed assets | 2,525 | 2,513 | 2,444 | 3,430 | 3,422 |
| Consolidated stockholders' equity - Group | 2,269 | 2,221 | 2,026 | 3,164 | 3,088 |

| Earnings per share (€) | | | | | |
|---|--------------|--------|---------|-------|-------|
| Consolidated net income (loss) - Group (b) | 0.74 | (1.21) | (14.17) | 2.83 | 3.66 |
| Consolidated stockholders' equity - Group (c) | 13.90 | 13.61 | 32.81 | 51.23 | 50.00 |

(a) Details regarding the criteria used for the preparation of the financial statements are provided in the section "Analysis of the IFI Group condensed consolidated results".

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

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

IFI S.p.A.

| € in millions | 2004 | 2003 | 2002 | 2001 | 2000 |
|-----------------------------------|--------------|-------|-------|-------|-------|
| Net income (loss) - IFI S.p.A. | 38 | 15 | (227) | 117 | 77 |
| Stockholders' equity - IFI S.p.A. | 1,605 | 1,567 | 1,095 | 1,356 | 1,082 |
| Net indebtedness position | (264) | (295) | (427) | (239) | (695) |
| Total dividends paid out | - | - | - | 34 | 35 |

| Dividends paid out per share (€) | | | | | |
|---|---|---|---|--------|--------|
| Per ordinary share | - | - | - | 0.5783 | 0.5783 |
| Per preferred share | - | - | - | 0.63 | 0.63 |

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

At December 31, 2004, IFI S.p.A.'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 of par value € 1.

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) organized and operated by Borsa Italiana S.p.A..

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

Pursuant to art. 27 of the bylaws, 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).

IFI has approximately 13,000 stockholders at December 31, 2004.

The major preferred stockholders, indicated below, represent 60.54% of the class of stock.

| Major stockholders at December 31, 2004 | | |
|---|--------------|-------------------|
| Stockholders | % | Number of shares |
| Ing Bank NV - London | 11.45 | 8,791,652 |
| K Capital Partners LLC Group | 11.33 | 8,700,731 |
| Morgan Stanley Group | 10.94 | 8,405,820 |
| Lyxor Amber Fund LTD | 6.32 | 4,851,627 |
| UBS AG | 4.32 | 3,314,587 |
| Banca Esperia S.p.A. | 4.24 | 3,260,000 |
| Pictet & Cie. | 4.10 | 3,145,375 |
| Centaurus Alpha Master Fund | 3.43 | 2,630,530 |
| Kairos Fund Limited | 2.34 | 1,796,700 |
| Banca d'Italia | 2.07 | 1,593,625 |
| | 60.54 | 46,490,647 |

Treasury stock

At December 31, 2004, IFI holds 5,360,300 preferred shares of treasury stock (6.98% of the class of stock).

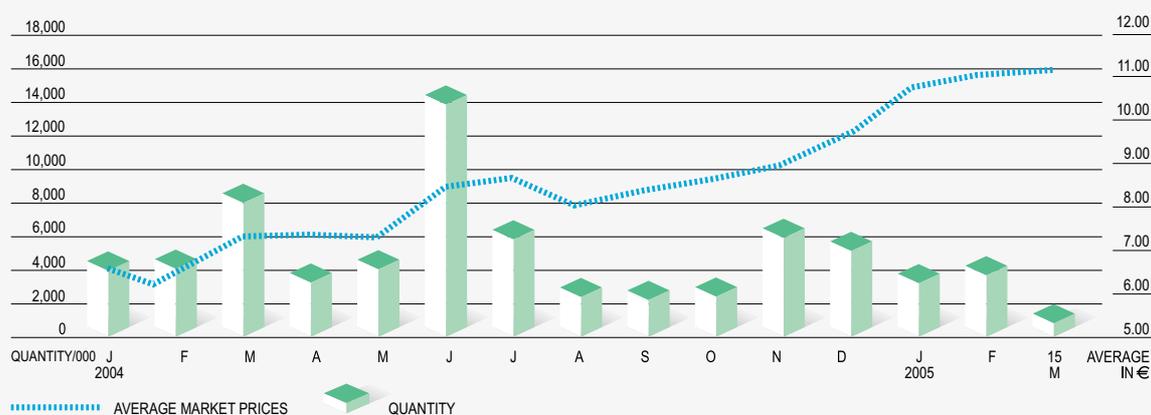
On March 30, 2005, the Board of Directors voted to put forward a motion to the Ordinary Stockholders' Meeting to renew the resolution for the authorization of the buyback of treasury stock for a maximum of 16 million IFI ordinary shares and/or preferred shares, setting aside a total of € 150 million.

Stock performance

Since January 2004, IFI preferred stock entered a bullish phase which led to its current market price of more than € 11.

Performance of the stock in 2004 overall was positive, gaining 55.5% compared to 19.9% by the Global Index.

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



PERFORMANCE OF IFI PREFERRED SHARES COMPARED TO COMIT MARKET INDEXES



MARKET INFORMATION

| | 2005 (January 1 - March 15) | 2004 | 2003 | 2002 |
|---|--------------------------------|--------|-------|--------|
| Market price per preferred share (€) | | | | |
| . year-end | 11.593 | 10.431 | 6.708 | 7.951 |
| . high | 11.593 | 10.431 | 9.466 | 21.451 |
| . low | 10.562 | 6.23 | 5.003 | 7.762 |
| Trading volumes during the period (in millions of preferred shares) | | | | |
| | 9.7 | 67.7 | 60.9 | 14.9 |
| Value of trading volumes during the period | | | | |
| - preferred shares (€ in millions) | 110.1 | 556.8 | 383.8 | 269 |

The market prices of 2003 and 2002 have been adjusted to take into account the capital stock increase in July 2003.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

IFI has its own website (<http://www.gruppoifi.com>) which has recently been revised to respond to the information needs of investors, analysts and journalists. The site 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.

During 2004, about 900 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed. These reports are also available on request.

Intensive contacts have been established with financial analysts and institutional investors and also the Italian and foreign economic and financial press.

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

External Relations and Press Office

Tel. +39011 – 5090320
Fax +39011 – 5090386
relazioni.esterne@gruppoifi.com

Institutional Investors and Financial Analysts Relations

Tel. +39011 – 5090246
Fax +39011 – 5090280
relazioni.investitori@gruppoifi.com

Stocks and Bonds Service

Tel. +39011 – 5090323
Tel. +39011 – 5090205
Fax +39011 – 5090321
servizio.titoli@gruppoifi.com

MAJOR EVENTS IN 2004

In 2004, the management of the company continued with activities of ordinary administration. It should be pointed out that, in accordance with pre-existing agreements, 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. IFI's total investment in that fund, to date, amounts to € 8.2 million.

ANALYSIS OF THE 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.

Condensed consolidated result and condensed consolidated statement of operations

The year 2004 shows a return to a profit position by the IFI Group with a consolidated net income of € 117 million, after closing two years with a loss (€ 130 million in 2003 and € 803 million in 2002).

The condensed consolidated statement of operations and the condensed consolidated balance sheet are presented below as well as an analysis of the most important captions.

Condensed consolidated statement of operations

| € in millions | 2004 | 2003 | Change |
|---|--------------|----------------|--------------|
| Group's share of earnings (losses) of companies accounted for using the equity method | 130.1 | (117.7) | 247.8 |
| Dividends from other holdings | 0.1 | 0.2 | (0.1) |
| Financial expenses, net | (11.5) | (15.0) | 3.5 |
| General expenses, net | (4.0) | (6.1) | 2.1 |
| Other income (expenses), net | (1.4) | 1.0 | (2.4) |
| Income (loss) before taxes | 113.3 | (137.6) | 250.9 |
| Current and deferred taxes | 3.7 | 7.6 | (3.9) |
| Net income (loss) - Group | 117.0 | (130.0) | 247.0 |

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

| € in millions | Earnings (losses) | | IFI's share | | Change |
|--|-------------------|--------|--------------|----------------|--------------|
| | 2004 | 2003 | 2004 | 2003 | |
| IFIL Group | 119.0 | (45.0) | 72.1 | (27.2) | 99.3 |
| Exor Group | 92.6 | 17.1 | 27.1 | 5.0 | 22.1 |
| Fiat Group | - | - | - | (110.8) (a) | 110.8 |
| Juventus Football Club | - | - | - | (4.5) (a) | 4.5 |
| | | | 99.2 | (137.5) | 236.7 |
| Consolidation adjustments | | | 30.9 | 19.8 | 11.1 |
| Group's share of earnings (losses) of companies accounted for using the equity method | | | 130.1 | (117.7) | 247.8 |

(a) Results for the first quarter of 2003, pre-contribution to IFIL.

At December 31, 2004, consolidation adjustments amount to € 30.9 million (€ 19.8 million in 2003). They refer to the result of the IFIL Group for the following:

| € in millions | 12/31/2004 | 12/31/2003 |
|--|-------------|-------------|
| - Reversal of the amortization of the difference on consolidation referring to Juventus | 22.1 | 2.5 |
| - Release of the 2004 portion of the gain deferred in prior years on the sale of the investment in La Rinascente | 8.3 | 0.0 |
| - Other adjustments | 0.5 | (2.8) |
| - Release of the gain deferred in prior years on the sale of the investment in Toro Assicurazioni | 0.0 | 20.1 |
| Total | 30.9 | 19.8 |

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

Dividends from other holdings

Dividends from other holdings amount to € 0.1 million and relate to dividends received from Emittenti Titoli during 2004 (€ 0.2 million in 2003, including the tax credit).

Financial expenses, net

Financial expenses, net, amount to € 11.5 million (€ 15 million in 2003). The reduction of € 3.5 million is due to lower average indebtedness in the two years under comparison.

General expenses, net

General expenses, net, equal to € 4 million, decreased by € 2.1 million compared to 2003 (€ 6.1 million). The reduction is principally due to the significant decrease in the structure costs of the company partly as a result of the change in the average number of staff (from 18 to 16).

Condensed consolidated balance sheet

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|---|----------------|------------|---------|
| Financial fixed assets: | | | |
| - investments | 2,446.3 | 2,436.0 | 10.3 |
| - preferred treasury stock | 70.5 | 70.5 | 0.0 |
| - other receivables | 8.2 | 6.7 | 1.5 |
| | 2,525.0 | 2,513.2 | 11.8 |
| Other assets | 19.2 | 18.7 | 0.5 |
| Total assets | 2,544.2 | 2,531.9 | 12.3 |
| Stockholders' equity - Group | | | |
| | 2,269.4 | 2,221.3 | 48.1 |
| Financial payables: | | | |
| - borrowings from banks, short-term | 208.5 | 66.3 | 142.2 |
| - borrowings from banks, medium-term | 30.0 | 212.7 | (182.7) |
| - Giovanni Agnelli e C., short-term | 24.2 | 15.2 | 9.0 |
| | 262.7 | 294.2 | (31.5) |
| Other liabilities and reserves | 12.1 | 16.4 | (4.3) |
| Total liabilities and stockholders' equity | 2,544.2 | 2,531.9 | 12.3 |

Financial fixed assets – Investments

| € in millions | Number of shares held | % holding of | | Carrying value | |
|--|-----------------------|----------------|---------------|----------------|----------------|
| | | class of stock | capital stock | unit (€) | total |
| Investments accounted for using the equity method | | | | | |
| IFIL - ordinary shares | 643,783,399 | 62.03 | 59.88 | 3.495 | 2,249.8 |
| Exor Group SA | 3,418,242 | 29.29 | 29.28 | 57.289 | 195.8 |
| Investments valued at cost | | | | | |
| Deutsche Morgan Grenfell Capital Italy SA | | | | | |
| - ordinary shares | 886 | 0.93 | 0.30 | 513.898 | 0.4 |
| - preferred shares | 2,000 | 1.28 | 0.68 | 2.582 | - |
| Emittenti Titoli S.p.A. | 527,000 | 6.43 | 6.43 | 0.516 | 0.3 |
| Total investments | | | | | 2,446.3 |

The increase in the carrying value of investments (+€ 10.3 million), compared to the balance at the end of 2003, is due to the Group's share of the earnings (losses) of companies accounted for using the equity method (+€ 130.1 million), the share of translation adjustments shown by the same companies (-€ 33.2 million) and, lastly, other net changes (-€ 86.6 million).

Financial fixed assets – Preferred 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 (€ 13.15 per share).

Compared to the average stock market prices in the second half of 2004 (€ 8.85) and the month of December (€ 10.13), IFI preferred shares show an unrealized loss of approximately € 23 million and € 16 million. Compared to the average stock market prices for the period March 1-15, 2005 (€ 11.35), the unrealized loss decreases further to approximately € 10 million.

The per share carrying value of IFI preferred shares (€ 13.15) is lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2004 (€ 13.9).

Stockholders' equity of the Group

| € in millions | |
|--|----------------|
| Stockholders' equity - Group at December 31, 2003 | 2,221.3 |
| Share of the translation adjustments shown by the investment holdings IFIL and Exor Group (-€ 33.2 million) and other net changes (-€ 35.7 million) | (68.9) |
| Consolidated net income - Group | 117.0 |
| Net change during the year | 48.1 |
| Stockholders' equity - Group at December 31, 2004 | 2,269.4 |

Financial payables

Borrowings from banks total € 238.5 million (€ 279 million at December 31, 2003). The company has irrevocable lines of credit for € 495 million, of which € 350 million is due beyond one year.

ANALYSIS OF THE RESULTS OF THE IFI GROUP CONSOLIDATED FINANCIAL STATEMENTS (LINE-BY-LINE CONSOLIDATION)

Highlights of the **consolidated statement of operations** and the **consolidated balance sheet** (line-by-line consolidation), as well as the composition of the net financial position (line-by-line consolidation) are shown below.

Consolidated statement of operations (line-by-line consolidation) – highlights

| € in millions | 2004 | 2003 | Change |
|---|----------------|----------------|--------------|
| Value of production | 54,317 | 55,553 | (1,236) |
| Costs of production | (54,278) | (55,948) | 1,670 |
| Difference between the value and costs of production | 39 | (395) | 434 |
| Financial expenses, net | (683) | (1,001) | 318 |
| Adjustments to financial assets | (63) | (78) | 15 |
| Extraordinary income (expenses), net | (350) | 533 | (883) |
| Loss before taxes | (1,057) | (941) | (116) |
| Income taxes | 28 | (706) | 734 |
| Net loss before minority interest | (1,029) | (1,647) | 618 |
| Minority interest | 1,146 | 1,517 | (371) |
| Net income (loss) - Group | 117 | (130) | 247 |

Consolidated balance sheet (line-by-line consolidation) – highlights

| € in millions | 12/31/2004 | | 12/31/2003 | | Change |
|--|---------------|------------|---------------|------------|----------------|
| | Amount | % | Amount | % | |
| Fixed assets: | | | | | |
| - intangible fixed assets | 4,193 | 6 | 4,711 | 7 | (518) |
| - property, plant and equipment | 10,633 | 16 | 10,811 | 15 | (178) |
| - financial fixed assets | 7,382 | 11 | 8,334 | 12 | (952) |
| | 22,208 | 33 | 23,856 | 34 | (1,648) |
| Current assets: | | | | | |
| - inventories | 16,198 | 26 | 15,938 | 23 | 260 |
| - receivables | 11,255 | 17 | 10,775 | 15 | 480 |
| - financial assets | 10,740 | 17 | 15,161 | 22 | (4,421) |
| - cash | 3,689 | 6 | 3,461 | 5 | 228 |
| | 41,882 | 66 | 45,335 | 65 | (3,453) |
| Other assets | 769 | 1 | 849 | 1 | (80) |
| Total assets | 64,859 | 100 | 70,040 | 100 | (5,181) |
| Stockholders' equity: | | | | | |
| - Group | 2,269 | 3 | 2,221 | 3 | 48 |
| - Minority interest | 6,679 | 10 | 8,071 | 12 | (1,392) |
| | 8,948 | 13 | 10,292 | 15 | (1,344) |
| Reserves for risks and charges and employee severance indemnities | 7,363 | 11 | 7,405 | 11 | (42) |
| Financial payables | 21,224 | 33 | 24,639 | 35 | (3,415) |
| Other liabilities and reserves | 27,324 | 43 | 27,704 | 39 | (380) |
| Total liabilities and stockholders' equity | 64,859 | 100 | 70,040 | 100 | (5,181) |

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

The consolidated net financial position (line-by-line consolidation) of the IFI Group at December 31, 2004 shows a net indebtedness position of € 5,368 million (a net indebtedness position of € 4,525 million at December 31, 2003).

At December 31, 2004, the consolidated net financial position (line-by-line consolidation) is composed as follows:

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|--|-----------------|-----------------|----------------|
| Cash | 3,689 | 3,461 | 228 |
| Marketable securities and other short-term investments | 3,208 | 4,269 | (1,061) |
| Financial receivables, finance lease contracts receivable and other financial fixed assets | 9,368 | 12,959 | (3,591) |
| Financial accrued income and prepaid expenses | 329 | 387 | (58) |
| Total financial assets | 16,594 | 21,076 | (4,482) |
| Financial payables due within one year | (12,045) | (8,355) | (3,690) |
| Financial payables due beyond one year | (9,179) | (16,284) | 7,105 |
| Financial accrued expenses and deferred income | (738) | (962) | 224 |
| Total financial payables | (21,962) | (25,601) | 3,639 |
| Consolidated net financial position (line-by-line consolidation) | (5,368) | (4,525) | (843) |

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

| € in millions | 2004 | 2003 | Change |
|--|----------------|----------------|--------------|
| IFI S.p.A. | (264) | (295) | 31 |
| IFIL "Holdings System" | 683 | (235) | 918 |
| Adjustment to eliminate the net financial position of the holdings consolidated proportionally (a) and other | 0 | (6) | 6 |
| Fiat Group | (4,961) | (3,028) | (1,933) |
| Worms & Cie Group | (718) | (887) | 169 |
| Alpitour Group | (108) | (74) | (34) |
| Consolidated net financial position (line-by-line consolidation) | (5,368) | (4,525) | (843) |

(a) 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 2004, research and development costs expensed directly to income during the year total € 1,827 million, including € 1,810 million relative to the Fiat Group (€ 1,747 million in 2003) and € 17 million relative to the Worms & Cie Group (€ 16 million in 2003).

ANALYSIS OF THE RESULTS OF THE IFI S.p.A. STATUTORY FINANCIAL STATEMENTS

Net income for the year and condensed statement of operations

The net income of IFI S.p.A. in 2004 is € 37.7 million (€ 14.7 million in 2003).

The condensed statement of operations is presented below:

| € in millions | 2004 | 2003 | Change |
|------------------------------|-------------|-------------|-------------|
| Dividends | 50.6 | 4.6 | 46.0 |
| Gains | 0.0 | 22.6 | (22.6) |
| Financial expenses, net | (11.5) | (15.0) | 3.5 |
| General expenses, net | (4.0) | (6.1) | 2.1 |
| Other income (expenses), net | (1.4) | 1.0 | (2.4) |
| Income before taxes | 33.7 | 7.1 | 26.6 |
| Current and deferred taxes | 4.0 | 7.6 | (3.6) |
| Net income | 37.7 | 14.7 | 23.0 |

Dividends

Dividends in 2004 were received from IFIL (€ 39.9 million), Exor Group (€ 10.6 million) and Emittenti Titoli (€ 0.1 million). Dividends in 2003 (€ 4.6 million) had included those from Exor Group (€ 4.4 million) and Emittenti Titoli (€ 0.2 million, comprising the relative tax credit).

Financial expenses, net

Financial expenses, net, amount to € 11.5 million and show a decrease of € 3.5 million compared to 2003 which is due to lower average indebtedness during the two years under comparison.

General expenses, net

General expenses, net, equal to € 4 million, decreased by € 2.1 million compared to 2003 (€ 6.1 million). The reduction is principally due to the significant decrease in the structure costs of the company partly as a result of the change in the average number of staff (from 18 to 16).

Current and deferred taxes

The taxable income calculated in accordance with existing tax laws does not generate current income taxes for the year 2004 and results in the release of € 4 million of deferred taxes in excess of requirements set aside in prior years.

Balance sheet of IFI S.p.A. - condensed

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|---|----------------|----------------|---------------|
| Financial fixed assets | 1,858.1 | 1,856.8 | 1.3 |
| Other assets | 19.2 | 18.7 | 0.5 |
| Total assets | 1,877.3 | 1,875.5 | 1.8 |
| Stockholders' equity | 1,604.7 | 1,567.0 | 37.7 |
| Financial payables: | | | |
| - borrowings from banks, short-term | 208.5 | 66.3 | 142.2 |
| - borrowings from banks, medium-term | 30.0 | 212.7 | (182.7) |
| - Giovanni Agnelli e C., short-term | 24.2 | 15.2 | 9.0 |
| | 262.7 | 294.2 | (31.5) |
| Other liabilities and reserves | 9.9 | 14.3 | (4.4) |
| Total liabilities and stockholders' equity | 1,877.3 | 1,875.5 | 1.8 |

Financial fixed assets

Details are as follows:

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|---|----------------|----------------|--------------|
| Investments | | | |
| IFIL S.p.A. | 1,676.2 (a) | 1,676.2 | 0.0 |
| Exor Group S.A. | 102.5 | 102.5 | 0.0 |
| Deutsche Morgan Grenfell Capital Italy S.A. | 0.4 | 0.5 | (0.1) |
| Emittenti Titoli S.p.A. | 0.3 | 0.4 | (0.1) |
| | 1,779.4 | 1,779.6 | (0.2) |
| Treasury stock - IFI S.p.A. preferred shares | 70.5 (b) | 70.5 | 0.0 |
| Receivables - TL com I | 8.2 | 6.7 | 1.5 |
| Total financial fixed assets | 1,858.1 | 1,856.8 | 1.3 |

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

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

During the year, the company sold 193,000 Emittenti Titoli shares and was reimbursed for 172 Deutsche Morgan Grenfell Capital Italy shares – class A.

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 | | | 2 nd half 2004 | | December 2004 | |
| | | | Unit (€) | Total (€ mn) | Unit (€) | Total (€ mn) | Unit (€) | Total (€ mn) |
| IFIL ordinary shares | 643,783,399 | 62.03 | 2.60 | 1,676.2 | 2.82 | 1,813.5 | 3.06 | 1,966.8 |
| IFI preferred shares | 5,360,300 | 6.98 | 13.15 | 70.5 | 8.85 | 47.4 | 10.13 | 54.3 |
| Total | | | | 1,746.7 | | 1,860.9 | | 2,021.1 |

Compared to the average stock market prices above, IFI preferred shares show an unrealized loss of approximately € 23 million and € 16 million. Compared to the average stock market prices for the period March 1-15, 2005 (€ 11.35), the unrealized loss decreases further to approximately € 10 million.

The per share carrying value of IFI preferred shares (€ 13.15) is lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2004 (€ 13.9).

Stockholders' equity of IFI S.p.A.

Stockholders' equity at December 31, 2004 amounts to € 1,604.7 million (€ 1,567 million at December 31, 2003). The increase of € 37.7 million coincides with the net income for the year 2004.

Net financial position of IFI S.p.A.

The net financial position of IFI S.p.A. at December 31, 2004 shows a net indebtedness position of € 263.8 million (a net indebtedness position of € 295.4 million at December 31, 2003) which is composed as follows:

| € in millions | 12/31/2004 | | | 12/31/2003 | | |
|---|----------------|------------------|----------------|---------------|------------------|----------------|
| | Short-term | Medium/long-term | Total | Short-term | Medium/long-term | Total |
| Cash | 0.1 | | 0.1 | 0.1 | | 0.1 |
| Borrowings from banks | (208.5) | (30.0) | (238.5) | (66.3) | (212.7) | (279.0) |
| Payable to Giovanni Agnelli e C. | (24.2) | | (24.2) | (15.2) | | (15.2) |
| Financial accrued expenses | (1.2) | | (1.2) | (1.3) | | (1.3) |
| Total financial liabilities | (233.9) | (30.0) | (263.9) | (82.8) | (212.7) | (295.5) |
| Net financial position of IFI S.p.A. | (233.8) | (30.0) | (263.8) | (82.7) | (212.7) | (295.4) |

The positive change in the net financial position of € 31.6 million results from the following cash flows:

| € in millions | |
|---|----------------|
| Net financial position of IFI S.p.A. at December 31, 2003 | (295.4) |
| Dividends received from IFIL (€ 39.9 million), Exor Group (€ 10.6 million) and Emittenti Titoli (€ 0.1 million) | 50.6 |
| Financial expenses, net | (11.5) |
| General expenses, net | (4.0) |
| Investments (a) | (1.3) |
| Purchase of receivables from the tax authorities from IFIL S.p.A. | (0.5) |
| Other changes, net | (1.7) |
| Net change during the year | 31.6 |
| Net financial position of IFI S.p.A. at December 31, 2004 | (263.8) |

(a) Capital payment to TLcom I (-€ 1.5 million), net of the reimbursement from Deutsche Morgan Grenfell (€ 0.1 million) and the sale of 193,000 Emittenti Titoli shares (€ 0.1 million).

OTHER INFORMATION

Information on the status of the implementation of the systems and the procedures for the application of international accounting principles (Consob communication No. DME/5015175 dated March 10, 2005)

As provided by Regulation No. 1606 dated July 19, 2002 of the European Union, starting in 2005 the IFI Group will draw up its consolidated financial statements in compliance with international accounting standards (IFRS/IAS) approved by the European Community.

In particular, the IFI Group will adopt international accounting standards beginning from the consolidated first quarter data at March 31, 2005.

The following paragraphs provide information on the activities that have been carried out in order to ensure a proper transition for the application of international accounting standards.

The adequacy of the accounting systems and procedures with regard to the new requirements has been checked.

Moreover, IFI has taken note of the transition process in progress at the IFIL Group, agreeing the timetables to obtain the data which will be necessary for the preparation, in compliance with international accounting standards, of the opening consolidated balance sheet at January 1, 2004, the interim consolidated financial data at March 31, 2004, June 30, 2004 and September 30, 2004, as well as the consolidated financial statements at December 31, 2004 of the IFI Group. Such consolidated accounting data will be presented for comparative purposes with the corresponding consolidated accounting statements which will be prepared during 2005 on the basis of international accounting standards.

The audit firm of Deloitte & Touche S.p.A. has been assigned the following additional audit work with regard to the accounting statements that have been prepared in accordance with international accounting standards:

- audit of the opening consolidated balance sheet at January 1, 2004;
- limited review of the interim consolidated financial data at June 30, 2004;
- limited review with agreed testing procedures of the interim consolidated financial data at March 31, 2004 and September 30, 2004;
- audit of the consolidated financial statements at December 31, 2004.

The following table presents the reconciliations of the stockholders' equity of IFI S.p.A. and the consolidated stockholders' equity of the IFI Group taken from the financial statements for the years ended December 31, 2003 (prepared in accordance with Italian principles) with the corresponding data drawn up in accordance with international accounting standards at January 1, 2004. Such data has been reviewed by the audit firms.

| € in millions | IFI S.p.A. | Consolidated IFI Group |
|--|----------------|---------------------------|
| Stockholders' equity at December 31, 2003 (taken from financial statements prepared according to Italian regulations) | 1,567.0 | 2,221.3 |
| Reclassification of the carrying value of preferred treasury stock | (70.5) | (70.5) |
| IAS/IFRS adjustments | | |
| - IAS 39 - Valuation of instruments hedging rate risks | (5.1) | (5.1) |
| - IAS 19 - Lower liability relating to employee benefits | n.s. | n.s. |
| | (5.1) | (5.1) |
| IFI's share of IAS/IFRS adjustments by: | | |
| - IFIL Group | - | (80.9) (a) |
| - Exor Group | - | n.s. |
| | - | (80.9) |
| Stockholders' equity at January 1, 2004 (IAS/IFRS) | 1,491.4 | 2,064.8 |

(a) Net of consolidation adjustments by IFI.

The consolidated financial statements at December 31, 2004 of the IFI Group show consolidated net income of the Group of € 117 million and stockholders' equity of the Group of € 2,269.4 million (which is reduced to € 2,198.9 million after deducting the carrying value of preferred treasury stock held by IFI of € 70.5 million).

The corresponding data prepared by IFI and the subsidiaries IFIL and Exor Group on the basis of international accounting standards, which should nevertheless be considered provisional in that the audit firms have not yet concluded their examinations, shows a consolidated net income of the IFI Group that is substantially unchanged and a consolidated stockholders' equity of the IFI Group of approximately € 2,170.4 million. The negative difference of this last figure, equal to € 28.5 million, is due to negative adjustments by IFI (-€ 2 million) and IFI's share of the adjustments made by the IFIL Group (-€ 26.5 million).

Programming document on security

The Company has prepared the programming document on security (Dps) on December 20, 2004 for the year 2004 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. The document has been drawn up by the person responsible for the treatment of the data.

Transactions among Group companies and with related parties

The delegated bodies shall provide the directors and statutory auditors with adequate disclosure concerning atypical transactions or transactions with related parties, eventually carried out during the year in exercising their delegated powers.

The Board of Directors has adopted principles of conduct for carrying out significant transactions from an economic, equity and financial standpoint as well as for carrying out transactions with related parties (available on the corporate website of the Company <http://www.gruppoifi.it>).

With respect to related party transactions, the above principles of conduct provide that the Board of Directors must approve the following transactions:

- atypical and/or unusual intragroup transactions, meaning transactions which, because of their significance/relevance, nature of the counterparties, subject of the transaction (also in relation to transactions of ordinary administration), manner of determining the transfer price and timing of the event (close to the end of the year) could give rise to reservations about: the correctness/completeness of the information in the financial statements, conflicts of interest, safeguarding of the company's assets and protection of minority stockholders;
- transactions with subsidiaries for amounts of more than 1% of IFI's portfolio value as shown in the most recent approved accounting documents (quarterly reports, first-half report and the annual financial statements) as of the date of the transaction;
- transactions with other related parties for amounts of more than € 3 million.

The bodies with delegated powers shall supply the Board with information concerning such transactions especially with regard to the nature of the relationship, the manner of execution, the economic terms and timing, the valuation criteria adopted and any risks to the Company.

Whenever a Director has an interest in the transaction (even a potential interest), the Board of Directors must be informed on a timely basis about the nature, terms, origin and the extent of this interest. After having exhaustively informed the Board of Directors, the interested Director must absent himself from the meeting so that the Board can pass the appropriate resolutions.

In the event the nature, the amount and the manner of execution of the transaction with a related party require it, the Board of Directors can avail itself of the assistance of one or more independent experts, chosen from among individuals with recognized professional characteristics and expertise on the matter in question so that an opinion can be obtained on the economic terms of the transaction and its legitimacy, as well as the technical means and manner of execution of the transaction.

The Board of Directors and the Board of Statutory Auditors must in any case be informed of any transactions with other related parties different from those mentioned above.

With reference to those transactions, comprehensive information shall be provided to the Directors, the Statutory Auditors, the General Manager, the procurators of the Company and to subsidiaries concerning the regulations in force and, in particular, the definition of related parties as reported in Consob Communication No. 2064231 dated September 30, 2002 as well as the definition of atypical and/or unusual transactions.

With regard to 2004, transactions among IFI, 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.

The most important transactions entered into during the year 2004 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 € 4.1 million, expiring in 2005, remunerated at market conditions;
- purchase of receivables from the tax authorities from IFIL (€ 0.5 million);
- a loan secured at floating monthly market rates from the parent company Giovanni Agnelli e C.;
- services rendered to and costs recovered from subsidiaries and associated companies;
- services rendered to the parent company Giovanni Agnelli e C.

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 | 12/31/2004 | | | 2004 | |
|---------------------------------|---------------------|------------------|--------------|------------|--------------|
| | Accounts receivable | Accounts payable | Suretyships | Income | Expenses |
| Giovanni Agnelli e C. S.a.p.az. | 10 | 24,186 | | 33 | 619 |
| Exor Group S.A. | 100 | | | 207 | |
| Juventus Football Club S.p.A. | 35 | | 4,128 | 54 | |
| IFIL Investments S.p.A. | 9 | 23 | | 27 | 72 |
| SANPAOLO IMI S.p.A. | 5 | 900 | | 129 | 7 |
| Soiem S.p.A. | | 128 | | | 410 |
| Fiat Group companies | 235 | 42 | | 228 | 295 |
| Alpitour Group companies | 10 | | | 10 | 45 |
| Total | 404 | 25,279 | 4,128 | 688 | 1,448 |

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 and IFI;
- option rights on Alpitour shares granted by Alpitour to the directors of IFIL (who, today, are no longer in office) and IFI under a stock option plan for the directors, managers and cadres of Alpitour and its direct and indirect subsidiaries.

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

During the course of year, the director Franzo Grande Stevens rendered professional services to Fiat Group companies for total fees of € 3,591 thousand.

Additional information and details are disclosed in the section “Major events in 2004” of the Directors’ report on operations, in the “Notes to the statutory financial statements of IFI S.p.A.” and in “Notes to the consolidated financial statements”.

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

Management and coordination

IFI S.p.A. is not subject to management and coordination by companies or entities.

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 12/31/2004 |
|-----------------------------|-----------------------------|-----------------------|----------|------------|-----------------------|
| | | Held at 12/31/2003 | Increase | Decrease | |
| Directors | | | | | |
| Gabetti Gianluigi | IFIL ordinary shares (a) | 120,000 | | | 120,000 |
| | Worms & Cie (a) | 1 | | | 1 |
| Teodorani-Fabbri Pio | IFI preferred shares (c) | 427,895 | | | 427,895 |
| | Fiat ordinary shares (c) | 6,583 | | | 6,583 |
| | Fiat ord. sh. war. 2007 (c) | 825 | | | 825 |
| | Fiat savings shares (c) | 5,720 | | | 5,720 |
| | IFIL ordinary shares (a) | 200,000 | | | 200,000 |
| | IFIL ordinary shares (c) | 500,000 | | | 500,000 |
| Avogadro di Collobiano | IFIL ordinary shares (a) | 93,500 | 86,500 | | 180,000 |
| Annibale | IFI preferred shares (c) | 77,058 | | 2,058 | 75,000 |
| Ferrero Ventimiglia Luca | IFIL savings shares (a) | 40,000 (b) | | | 40,000 |
| | Fiat ordinary shares (a) | 10,000 (b) | | | 10,000 |
| | IFI preferred shares (a) | 1 (b) | | | 1 |
| Galateri di Genola Gabriele | IFI preferred shares (a) | 1 | | 1 | 0 |
| | IFI preferred shares (c) | 125 | | | 125 |
| | Fiat ordinary shares (c) | 3,328 | | | 3,328 |
| | Fiat preferred shares (c) | 440 | | | 440 |
| | IFIL ordinary shares (c) | 5,250 | | | 5,250 |
| Agnelli Umberto | Juventus Football Club (a) | 26,595 | | 26,595 (d) | 0 |
| | Worms & Cie (a) | 1 | | 1 (d) | 0 |
| | Permal Group (a) | 1 | | 1 | 0 |
| Statutory Auditors | | | | | |
| Ferrero Cesare | Fiat ordinary shares (a) | 1 | | | 1 |
| Giorgi Giorgio | Fiat savings shares (c) | 1,500 | | | 1,500 |
| Jona Celesia Lionello | IFIL ordinary shares (c) | 785 | | | 785 |
| General Manager | | | | | |
| Marrone Virgilio | IFIL ordinary shares (a) | 93,415 | | | 93,415 |

(a) Direct holding.

(b) Held at the date he took office (June 23, 2004).

(c) Indirect holding through spouse.

(d) Stock transferred to heirs.

Stock Option Plans

The Group uses stock option plans to strengthen ties with its managers and to raise motivation for the creation of economic value for the company.

At December 31, 2004, IFIL has two stock option plans.

In May 2000, the Board of Directors of the subsidiary IFIL voted a stock option plan for the directors and managers 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 from 2000 to 2004 and can be exercised by the grantees starting from 2002 up to 2006.

There were 2,691,500 options granted under this plan in the period 2000 to 2004, equal to 0.25% of current capital stock (including 522,000 options in 2000, exercisable at the average price of € 6.997 each; 525,450 options in 2001 at € 6.109 each; 844,050 options in 2002 at € 4,520 each; 800,000 options in 2003 exercisable at € 1.85 each). The exercise prices indicated were adjusted, for the options granted from 2000 to 2002, to take into account the cash capital stock increase in July 2003.

In September 2003, the IFIL Board of Directors voted a second stock option plan solely for the directors, for a maximum number of 700,000 IFIL ordinary shares, of par value € 1 each. There were 532,000 options granted under this plan in 2003 for the same number of ordinary shares, equal to 0.05% of current capital stock, at € 2.28 each.

The options were granted according to the level of responsibility held by the grantee in the corporate organization.

220,700 options granted under the IFIL 1998 stock option plan and which had to be exercised by April 30, 2004 became forfeit during 2004.

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.

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 stock 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 offered 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 offered 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 plan.

SIGNIFICANT SUBSEQUENT EVENTS

Investments in IFIL

In the first quarter of 2005, IFI purchased 10,122,097 IFIL ordinary shares (0.98% of the class of stock) on the market for € 34.2 million, as well as 750,000 IFIL savings shares (approximately 2% of the class of stock) for € 2.6 million.

At the end of March 2005, IFI holds 653,905,496 IFIL ordinary shares, equal to 63.01% of current ordinary capital stock, as well as 750,000 IFIL savings shares for approximately 2% of savings capital stock. The investment represents approximately 60.89% of current capital stock.

Net financial position of IFI S.p.A.

At the end of March 2005, the net financial position of IFI S.p.A. shows an indebtedness position of € 303.7 million. The negative change during the period (-€ 39.9 million) is due to the investment in IFIL (-€ 36.8 million) and financial expenses and general expenses, net (-€ 3.1 million).

BUSINESS OUTLOOK

Taking into account the motions for the distribution of dividends from 2004 profits formulated by the Boards of Directors of IFIL and Exor Group, it is believed that the result for 2005 of IFI S.p.A. will show a profit.

Moreover, considering the forecasts formulated by the same holdings, it is believed that the consolidated result of the IFI Group for 2005 will also show a profit.

OPERATING PERFORMANCE OF THE IFIL AND EXOR GROUP HOLDINGS



(63.01% of ordinary capital stock)

The following consolidated data of the IFIL Group at December 31, 2004 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 other subsidiaries and associated companies, using the equity method.

| € in millions | 2004 | 2003 | Change |
|---|---------|---------|-----------|
| Consolidated net income (loss) - Group | 119.0 | (45.0) | 164.0 |
| Consolidated stockholders' equity - Group | 3,916.8 | 3,953.9 | (37.1) |
| Net financial position of the "Holdings System" | 683.2 | (234.7) | 917.9 |
| Financial fixed assets | 3,178.2 | 4,223.1 | (1,044.9) |

The year 2004 shows a return to a profit position by the IFIL Group with a consolidated net income of € 119 million, after closing two years with a loss (€ 45 million in 2003 and € 367 million in 2002). The main captions of the condensed consolidated statement of operations are commented in the following paragraphs.

| € in millions | 2004 | 2003 | Change |
|---|--------------|---------------|--------------|
| Group's share of earnings (losses) of companies accounted for using the equity method | (402.0) | (49.7) | (352.3) |
| Dividends from other holdings | 27.4 | 21.2 | 6.2 |
| Dividend tax credits | 0.0 | 11.9 | (11.9) |
| Gains, net | 611.3 | 25.0 | 586.3 |
| Amortization of differences on consolidation | (81.4) | (13.7) | (67.7) |
| Investment income (expenses), net | 155.3 | (5.3) | 160.6 |
| Financial expenses, net | (20.9) | (23.6) | 2.7 |
| General expenses, net | (18.7) | (13.0) | (5.7) |
| Other expenses, net | (7.0) | (6.1) | (0.9) |
| Income (loss) before taxes | 108.7 | (48.0) | 156.7 |
| Current taxes | (2.1) | 0.1 | (2.2) |
| Deferred taxes | 12.4 | 2.9 | 9.5 |
| Net income (loss) - Group | 119.0 | (45.0) | 164.0 |

The **Group's share of earnings (losses) of companies** accounted for using the equity method amounts to losses of € 402 million (losses of € 49.7 million in 2003). The negative change of € 352.3 million is essentially due to the Fiat Group (-€ 177.3 million, mainly as a result of lower positive consolidation adjustments that are not compensated by the reduction in the consolidated loss of the Fiat Group), the Worms & Cie Group (-€ 100.9 million) and the companies which make up the Rinascente Group (-€ 82.7 million). The results of the other holdings show a net positive variation of € 8.6 million.

Dividends from other holdings amount to € 27.4 million (€ 21.2 million in 2003), entirely in reference to dividends received from SANPAOLO IMI.

Gains, net, total € 611.3 million and refer to the sales of 50% of the capital stock of Eurofind Food (+€ 586.3 million) and 7.2% of the capital stock of Club Méditerranée (+€ 26.4 million), as well as other minor transactions and writedowns (-€ 1.4 million, net). In 2003, the gains of € 25 million had basically referred to the sale of 25% of the capital stock of Sifalberghi.

Amortization of differences on consolidation amount to € 81.4 million (€ 13.7 million in 2003) and include extraordinary amortization charges to eliminate the residual balances referring to the Alpitour Group (€ 36.5 million) and the investment in Juventus (€ 33.5 million).

Financial expenses, net, total € 20.9 million (€ 23.6 million in 2003) and decreased by € 2.7 million mainly as a result of the trend in indebtedness during the year.

General expenses, net, amount to € 18.7 million. The increase of € 5.7 million compared to the year 2003 (€ 13 million) is principally due to higher personnel costs of the parent company (due both to an increase in the average number of staff and provisions for estimated monetary incentives relating to 2004), as well as the line-by-line consolidation of the companies Sadco, Ifil USA and Ifil Asia.

Other expenses, net, amount to € 7 million (€ 6.1 million in 2003) and include the release of reserves in excess of requirements set aside in prior years (+€ 3 million), the amortization of the expenses relating to the IFIL capital stock increases in 2003 (-€ 2.2 million), compensation voted on behalf of the directors of Eurofind (-€ 1.5 million), legal consulting fees regarding extraordinary transactions and pending litigation (-€ 3.3 million), as well as sundry other expenses, net (-€ 3 million).

Consolidated stockholders' equity of the IFIL Group at December 31, 2004 amounts to € 3,916.8 million. The net decrease of € 37.1 million from the balance at the end of 2003 (€ 3,953.9 million) is due to the consolidated net income of the Group (+€ 119 million), dividends paid out by IFIL S.p.A. (-€ 69.7 million), the share of the translation differences shown by the companies accounted for using the equity method (-€ 54.9 million) and other net changes (-€ 31.5 million).

The **consolidated net financial position of the "Holdings System"** shows a net liquidity position at December 31, 2004 of € 683.2 million (a net indebtedness position of € 234.7 million at the end of 2003). The positive change of € 917.9 million is due to the following flows:

| € in millions | | |
|--|---------------------------|----------------|
| Consolidated net financial position of the "Holdings System" at December 31, 2003 | | (234.7) |
| Dividends received from: | | |
| - Worms & Cie | 33.6 | |
| - SANPAOLO IMI | 27.4 | |
| - La Rinascente | 7.9 | |
| | Dividends received | 68.9 |
| Financial expenses, net | | (20.9) |
| General expenses, net | | (18.7) |
| Investments: | | |
| - Eurofind, 9.53% of capital stock (from Mediobanca) | (116.1) | |
| - NHT New Holding for Tourism, 10% of capital stock (from the TUI Group) | (46.3) | |
| - Sadco, 100% of capital stock (from Exor Group) | (1.4) | |
| | Investments | (163.8) |
| Sales: | | |
| - Eurofind Food, 50% of capital stock (to the Auchan Group) | 1,062.9 | |
| - Club Méditerranée, 7.2% of capital stock | 61.6 | |
| - Juventus Football Club, 0.32% of capital stock | 0.6 | |
| | Sales | 1,125.1 |
| Other changes: | | |
| - Purchase of IFIL ordinary shares (0.31% of the class of stock) | (9.3) | |
| - Sale of IFIL ordinary shares (0.18% of the class of stock) | 5.4 | |
| - Dividends paid out by IFIL S.p.A. | (69.7) (a) | |
| - Receivables collected from the tax authorities | 13.7 | |
| - Sales of receivables from the tax authorities to Group companies | 3.7 | |
| - Change due to deconsolidation of Eurofind Food | (14.0) | |
| - Other, net | (2.5) | |
| | Other changes | (72.7) |
| Net change during the year | | 917.9 |
| Consolidated net financial position of the "Holdings System" at December 31, 2004 | | 683.2 |

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

Since 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., ended the year 2004 with a net income of € 80.2 million. This is an increase of € 7.5 million (+10.3%) compared to the net income of € 72.7 million in 2003.

The Board of Directors' Meeting of March 30, 2005 put forward a motion for the distribution of dividends per share of € 0.0683 for the ordinary shares and € 0.089 for the savings shares for a maximum total of € 74.3 million.

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

In the eventuality that IFIL decides 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.

The most important transactions by the IFIL Group in 2004 and the early months of 2005 are described below.

Purchase of 9.53% of Eurofind capital stock

In January, the subsidiary Ifil Investissements purchased 9.53% of Eurofind capital stock from Mediobanca for an investment of € 116.1 million.

After this transaction, Eurofind's capital stock was held equally by the IFIL Group (through Ifil Investissements) and the Auchan Group.

Sale of La Rinascente S.p.A.

In October, La Rinascente finalized the partial proportional spin-off of the textile sector (Department Stores and Upim) to a new beneficiary company which took the name of La Rinascente.

The other activity sectors, including the Auchan hypermarkets, the SMA supermarkets, the 50% interest in SIB S.p.A. (do-it-yourself), the 51% interest in Gallerie Commerciali Italia S.p.A. and the 50% interest in Fiordaliso S.p.A. remained under the control of the company which had effected the spin-off and which took the name of Società Italiana Distribuzione Moderna (SIDM).

In December, after the proportional total spin-off of Eurofind, two new Luxembourg-registered companies were set up named Eurofind Food and Eurofind Textile, both jointly controlled by Ifil Investissements and the Auchan Group. As a result of this transaction, Eurofind Food and Eurofind Textile came to hold, respectively, 99.09% of the capital stock of SIDM and 99.09% of the capital stock of La Rinascente (companies that, in their turn, came from the above-described spin-off of La Rinascente).

In the second half of December, after obtaining authorization from the competent antitrust authority, Ifil Investissements sold 50% of the capital stock of Eurofind Food to the Auchan Group for € 1,062.9 million (including € 810.5 million of cash proceeds and € 252.4 million deferred until mid-2005) with a gain on consolidation of € 586.3 million.

On March 13, 2005, a contract was signed for the sale of 99.09% of the capital stock of La Rinascente S.p.A. held by Eurofind Textile S.A. – the Luxembourg company controlled by Auchan and IFIL – to Tamerice S.r.l., a company leading a group composed of Investitori Associati SGR S.p.A., DB Real Estate Global Opportunities IB L.P., Pirelli RE S.p.A. and the Borletti family, at a price of € 888 million.

Closing of the deal, which is subject to approval by the competent antitrust authorities, is expected to take place by June 2005. The price will be completely paid in cash at closing. The buyer has provided the usual bank guarantee.

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

IFIL will guarantee the commitments undertaken by Eurofind Textile with the buyer until their maturity.

After closing the sale of La Rinascente, Ifil Investissements will purchase the remaining 50% of Eurofind Textile's capital stock from the Auchan Group. Following these transactions, the IFIL Group will receive net proceeds for a total of approximately € 530 million and realize a gain of over € 450 million, without significant tax effects for the Group.

Sale of the investment in Club Méditerranée

In October, after having obtained approval from the competent antitrust authorities, the subsidiary Mediterranean Capital (ex-Ifil Capital) and Exor Group sold the investments in Club Méditerranée capital stock to the Accor Group. Specifically, Mediterranean Capital sold 1,233,691 Club Méditerranée shares (6.37% of capital stock) to Accor at the price of € 55.5 million (€ 45 per share) with a gain on consolidation of € 24.4 million.

The Accor Group is contractually obliged to pay a possible price adjustment, over the next two years, up to a maximum of € 12.3 million (€ 10 per share), in relation to Club Méditerranée's future economic and financial performance.

In conjunction with this deal, in June, the subsidiary Mediterranean Capital had sold 0.82% of Club Méditerranée capital stock to Exor Group for € 6.1 million with a gain on consolidation of € 2 million.

Transactions relating to NHT

In January, Ifil Investissements purchased the remaining 10% of NHT New Holding for Tourism capital stock from the TUI Group for an outlay of € 46.3 million. As part of this transaction, NHT also acquired the remaining 50% of the capital stock of Neos from the TUI Group for an investment of € 2.7 million.

In June, NHT subscribed to the capital stock increase by Alpitour (100%-controlled) for a total of € 17.8 million, of which € 6.5 million was in cash and € 11.3 million by contribution of the total investments held in Welcome Travel Group and in Neos. Following this transaction, Alpitour took over the role of holding company of the tourism sector in that, in addition to directly carrying out its tour operator business, it holds control of all the other sectors connected with the tourism business (hotel management, distribution, aviation and incoming).

Agreement relating to Sviluppo Italia Turismo

In December, Banca Intesa S.p.A., the IFIL Group and Marcegaglia S.p.A. sealed an agreement for the purchase of 49% of Sviluppo Italia Turismo (SIT) capital stock from Sviluppo Italia S.p.A..

The entry of the three private stockholders in the shareholder base of SIT will take place through the company Turismo&Immobiliare (in which the three own equal stakes) which will purchase shares and subscribe to a SIT capital stock increase for a total outlay of € 76.4 million; IFIL's share will be equal to approximately € 25.5 million. It is also anticipated that the three stockholders may possibly acquire control of SIT's stock by 2009.

Once approval is obtained from the antitrust authority in March, the agreement will be finalized in April.

The alliance will allow SIT to improve and build up its structures so that it can expand its packages on the market and increase its tourist flows; the first concrete step will be the start of an investment program in Apulia, Calabria and Sicily.

IFIL's new organizations in the United States of America and in Asia

For the purpose of contributing to the search for new investment opportunities, during the first half IFIL set up new organizations in the United States and Asia, with offices, respectively, in New York and Hong Kong. Thanks to its positioning in two of the most interesting international financial centers and with its highly-qualified professional management staff, the two organizations – which will operate in close coordination with IFIL's offices in Turin – could significantly boost the opportunities of creating economic value for the company.

With similar objectives in mind, at the end of June, Ifil Investissements purchased 100% of the capital stock of Sadco, with head offices in Switzerland, from Exor Group, for an investment of € 1.4 million, corresponding to its net equity value.

Treasury stock

At the end of March 2005, the IFIL Group holds 14,596,040 IFIL ordinary shares of treasury stock, of which 12,557,716 shares are booked in financial fixed assets and 2,038,324 in current assets.

Treasury stock represents a total of 1.41% of the class of stock and 1.36% of the current capital stock and has a carrying value of € 52.1 million.

Increase in the investment in SANPAOLO IMI

In March 2005, IFIL purchased 12,547,230 SANPAOLO IMI ordinary shares (0.851% of the class of stock) for an investment of € 142.3 million. Following this purchase, at the date of the Board meeting (March 30, 2005), IFIL held 82,918,230 SANPAOLO IMI ordinary shares, equal to 5.62% of ordinary capital stock (4.45% of capital stock).

Business outlook

For 2005, IFIL S.p.A. is expected to report a profit.

Moreover, considering the forecasts formulated by the major holdings and other estimates currently available, including the gain on the sale of La Rinascente, the 2005 consolidated financial statements of the IFIL Group are also expected to show a profit.



Exor Group reported a consolidated net income in 2004 of € 92.6 million (€ 17.1 million in 2003, after booking a provision of € 40 million to the Reserve for investment fluctuations).

Revenues for the year include gains on the divestiture of investments or releases of provisions on such investments for € 80.4 million. These divestitures refer to the sale of the stakes held in Société Foncière Lyonnaise and Club Méditerranée, respectively, to Immobiliaria Colonial and to the Accor Group.

Other income comprises dividends of € 8.2 million (including € 6.5 million received from Société Foncière Lyonnaise) and financial income of € 13 million from short-term investments of available cash resources in low-risk financial instruments.

General expenses are equal to € 8.1 million.

At the end of the year, the consolidated stockholders' equity of Exor Group amounts, net of treasury stock, to € 668.6 million (€ 611.5 million at December 31, 2003).

At the same date, net cash totals € 531 million.

After the above divestitures, the main equity investment held by Exor Group is represented by the 17.2% interest in Graphic Packaging Corporation, a company providing packaging solutions of consumer products, listed on the New York stock exchange.

The synergies that followed after the merger with Riverwood in August 2003 allowed Graphic Packaging Corporation to post, in 2004, a 3.5% increase in the operating margin compared to the prior year. This was achieved in a market where the productive factors (materials and energy) met with strong inflationary pressures.

MOTION FOR APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF NET INCOME FOR THE YEAR

Dear Shareholders,

We ask you to approve the financial statements for the year ended December 31, 2004.

In view of the fact that the Board of Directors has waived, by specific resolution, its share of the profits as provided by art. 27 of the bylaws and that the legal reserve amounts to one-fifth of capital stock, we propose a motion to appropriate the net income of € 37,707,363 to the extraordinary reserve.

The extraordinary reserve will therefore amount to € 720,611,378.

Turin, March 30, 2005

For the Board of Directors
The Chairman
Gianluigi Gabetti

IFI Group

IFI Group

CONSOLIDATED BALANCE SHEET - ASSETS

| (€ in millions) | 12/31/2004 | 12/31/2003 | Change |
|--|---------------|---------------|----------------|
| FIXED ASSETS | | | |
| Intangible fixed assets | (note 1) | | |
| Start-up and expansion costs | 123 | 155 | (32) |
| Research, development and advertising expenses | 28 | 22 | 6 |
| Industrial patents and intellectual property rights | 402 | 406 | (4) |
| Concessions, licenses, trademarks and similar rights | 342 | 383 | (41) |
| Goodwill | 158 | 159 | (1) |
| Intangible assets in progress and advances | 214 | 255 | (41) |
| Other intangible assets | 147 | 167 | (20) |
| Differences on consolidation | 2,779 | 3,164 | (385) |
| Total intangible fixed assets | 4,193 | 4,711 | (518) |
| Property, plant and equipment | (note 2) | | |
| Land and buildings | 3,099 | 3,115 | (16) |
| Plant and machinery | 3,217 | 3,401 | (184) |
| Industrial and commercial equipment | 2,308 | 2,104 | 204 |
| Other assets | 1,284 | 1,363 | (79) |
| Construction in progress and advances | 725 | 828 | (103) |
| Total property, plant and equipment | 10,633 | 10,811 | (178) |
| Financial fixed assets | (note 3) | | |
| Investments in | | | |
| . unconsolidated subsidiaries | 283 | 488 | (205) |
| . associated companies | 4,199 | 4,465 | (266) |
| . other companies | 768 | 926 | (158) |
| Total investments | 5,250 | 5,879 | (629) |
| Receivables from associated companies | 1 | 1 | 0 |
| Receivables from others | 48 | 188 | (140) |
| Total receivables | 49 | 189 | (140) |
| Other securities | 94 | 84 | 10 |
| Treasury stock | 70 | 70 | 0 |
| Finance lease contracts receivable | 1,727 | 1,797 | (70) |
| Other financial fixed assets | 192 | 315 | (123) |
| Total financial fixed assets | 7,382 | 8,334 | (952) |
| TOTAL FIXED ASSETS | 22,208 | 23,856 | (1,648) |
| CURRENT ASSETS | | | |
| Inventories | (note 4) | | |
| Raw materials and supplies | 1,307 | 1,259 | 48 |
| Work in progress and semifinished products | 833 | 983 | (150) |
| Contract work in progress | 2,886 | 4,077 | (1,191) |
| Finished goods and merchandise | 4,096 | 4,431 | (335) |
| Advances to suppliers | 7,076 | 5,188 | 1,888 |
| Total inventories | 16,198 | 15,938 | 260 |

IFI Group

| (€ in millions) | 12/31/2004 | 12/31/2003 | Change |
|--|---------------|---------------|----------------|
| CURRENT ASSETS (continued) | | | |
| Receivables | (note 5) | | |
| Trade receivables | 4,926 | 4,679 | 247 |
| Receivables from unconsolidated subsidiaries | 55 | 79 | (24) |
| Receivables from associated companies | 866 | 768 | 98 |
| Deferred tax assets | 2,206 | 1,907 | 299 |
| Other receivables | 3,202 | 3,342 | (140) |
| Total receivables | 11,255 | 10,775 | 480 |
| Financial assets not held as fixed assets | (note 6) | | |
| Investments | 33 | 32 | 1 |
| Other securities | 3,297 | 4,359 | (1,062) |
| Financial receivables from unconsolidated subsidiaries | 565 | 521 | 44 |
| Financial receivables from associated companies | 406 | 644 | (238) |
| Financial receivables from others | 6,439 | 9,605 | (3,166) |
| Total financial assets not held as fixed assets | 10,740 | 15,161 | (4,421) |
| Cash | | | |
| Bank and post office accounts | 3,676 | 3,443 | 233 |
| Cash on hand | 10 | 9 | 1 |
| Checks | 3 | 9 | (6) |
| Total cash | 3,689 | 3,461 | 228 |
| TOTAL CURRENT ASSETS | 41,882 | 45,335 | (3,453) |
| ACCRUED INCOME AND PREPAID EXPENSES | (note 7) | | |
| | 769 | 849 | (80) |
| TOTAL ASSETS | 64,859 | 70,040 | (5,181) |

IFI Group

CONSOLIDATED BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY

| (€ in millions) | 12/31/2004 | 12/31/2003 | Change |
|---|----------------|----------------|----------------|
| STOCKHOLDERS' EQUITY | | | |
| | (note 8) | | |
| Stockholders' equity of the Group | | | |
| Capital stock | 163 | 163 | 0 |
| Additional paid-in capital | 387 | 387 | 0 |
| Revaluation reserves | 81 | 81 | 0 |
| Legal reserve | 33 | 15 | 18 |
| Treasury stock valuation reserve | 70 | 70 | 0 |
| Retained earnings and other reserves | 1,735 | 1,919 | (184) |
| Cumulative translation adjustments | (317) | (284) | (33) |
| Net income (loss) | 117 | (130) | 247 |
| Total stockholders' equity of the Group | 2,269 | 2,221 | 48 |
| Minority interest - capital and reserves | 7,825 | 9,588 | (1,763) |
| Minority interest - net loss | (1,146) | (1,517) | 371 |
| TOTAL STOCKHOLDERS' EQUITY | 8,948 | 10,292 | (1,344) |
| RESERVES FOR RISKS AND CHARGES | | | |
| | (note 9) | | |
| Reserve for pensions and similar obligations | 1,579 | 1,571 | 8 |
| Income tax reserves | 352 | 429 | (77) |
| Other reserves | 4,033 | 3,984 | 49 |
| Insurance policy liabilities and accruals | 91 | 89 | 2 |
| TOTAL RESERVES FOR RISKS AND CHARGES | 6,055 | 6,073 | (18) |
| RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES | | | |
| | (note 10) | | |
| | 1,308 | 1,332 | (24) |
| PAYABLES | | | |
| | (note 11) | | |
| Bonds | 9,112 | 9,910 | (798) |
| Convertible bonds | 13 | 1,765 | (1,752) |
| Borrowings from banks | 9,973 | 10,494 | (521) |
| Other financial payables | 1,269 | 1,405 | (136) |
| Advances | 9,935 | 9,166 | 769 |
| Trade payables | 11,880 | 12,597 | (717) |
| Notes payable | 749 | 955 | (206) |
| Payables to unconsolidated subsidiaries | 49 | 69 | (20) |
| Payables to associated companies | 1,000 | 854 | 146 |
| Payables to parent companies | 24 | 15 | 9 |
| Taxes payable | 796 | 943 | (147) |
| Social security payable | 354 | 329 | 25 |
| Other payables | 1,428 | 1,505 | (77) |
| TOTAL PAYABLES | 46,582 | 50,007 | (3,425) |
| ACCRUED EXPENSES AND DEFERRED INCOME | | | |
| | (note 12) | | |
| | 1,966 | 2,336 | (370) |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | 64,859 | 70,040 | (5,181) |

IFI Group

| GUARANTEES GRANTED, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS | | | | |
|--|-----------------------------------|---------------|---------------|--------------|
| (€ in millions) | (note 13) | 12/31/2004 | 12/31/2003 | Change |
| GUARANTEES GRANTED | | | | |
| Unsecured guarantees | | | | |
| Suretyships | | | | |
| on behalf of unconsolidated subsidiaries | | 4 | 32 | (28) |
| on behalf of associated companies | | 0 | 10 | (10) |
| on behalf of others | | 2,994 | 3,162 | (168) |
| Total suretyships | | 2,998 | 3,204 | (206) |
| Guarantees of notes on behalf of others | | 217 | 261 | (44) |
| Other unsecured guarantees | | | | |
| on behalf of unconsolidated subsidiaries | | 30 | 1 | 29 |
| on behalf of associated companies | | 270 | 295 | (25) |
| on behalf of others | | 2,244 | 2,813 | (569) |
| Total other unsecured guarantees | | 2,544 | 3,109 | (565) |
| | Total unsecured guarantees | 5,759 | 6,574 | (815) |
| Secured guarantees on behalf of others | | | | |
| | | 87 | 47 | 40 |
| | TOTAL GUARANTEES GRANTED | 5,846 | 6,621 | (775) |
| COMMITMENTS | | | | |
| Commitments related to derivative financial instruments | | 23,246 | 22,507 | 739 |
| Commitments to purchase property, plant and equipment | | 415 | 330 | 85 |
| Other commitments | | 13,098 | 10,690 | 2,408 |
| | TOTAL COMMITMENTS | 36,759 | 33,527 | 3,232 |
| THIRD-PARTY ASSETS HELD BY THE GROUP | | | | |
| | | 1,680 | 2,017 | (337) |
| GROUP ASSETS HELD BY THIRD PARTIES | | | | |
| | | 3,313 | 4,706 | (1,393) |
| OTHER MEMORANDUM ACCOUNTS | | | | |
| | | 284 | 380 | (96) |

IFI Group

| CONSOLIDATED STATEMENT OF OPERATIONS | | | |
|--|-----------------|-----------------|----------------|
| (€ in millions) | 2004 | 2003 | Change |
| VALUE OF PRODUCTION (note 14) | | | |
| Revenues from sales and services | 51,878 | 53,509 | (1,631) |
| Change in work in progress, semifinished and finished products inventories | (192) | 694 | (886) |
| Change in contract work in progress | 215 | (1,075) | 1,290 |
| Additions to internally produced fixed assets | 810 | 688 | 122 |
| Other income and revenues: | | | |
| revenue grants | 55 | 53 | 2 |
| other | 1,551 | 1,684 | (133) |
| Total other income and revenues | 1,606 | 1,737 | (131) |
| TOTAL VALUE OF PRODUCTION | 54,317 | 55,553 | (1,236) |
| COSTS OF PRODUCTION (note 15) | | | |
| Raw materials, supplies and merchandise | (31,484) | (30,917) | (567) |
| Services | (9,532) | (9,855) | 323 |
| Leases and rentals | (450) | (434) | (16) |
| Personnel | | | |
| salaries and wages | (5,111) | (5,341) | 230 |
| social security contributions | (1,337) | (1,409) | 72 |
| employee severance indemnities | (191) | (249) | 58 |
| employee pensions and similar obligations | (191) | (189) | (2) |
| other costs | (387) | (338) | (49) |
| Total personnel costs | (7,217) | (7,526) | 309 |
| Amortization, depreciation and writedowns | | | |
| amortization of intangible fixed assets | (688) | (604) | (84) |
| depreciation of property, plant and equipment | (1,808) | (1,868) | 60 |
| other writedowns of fixed assets | (33) | (35) | 2 |
| writedown of receivables among current assets and cash | (305) | (281) | (24) |
| Total amortization, depreciation and writedowns | (2,834) | (2,788) | (46) |
| Change in raw materials, supplies and merchandise inventories | 222 | (86) | 308 |
| Provisions for risks | (1,395) | (1,164) | (231) |
| Other provisions | (22) | (29) | 7 |
| Other operating costs | (1,170) | (1,114) | (56) |
| Expenses of financial services companies | (376) | (668) | 292 |
| Insurance claims and other insurance costs | (20) | (1,367) | 1,347 |
| TOTAL COSTS OF PRODUCTION | (54,278) | (55,948) | 1,670 |
| DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION | 39 | (395) | 434 |
| FINANCIAL INCOME AND EXPENSES (note 16) | | | |
| Investment income from | | | |
| associated companies | 1 | 1 | 0 |
| other companies | 37 | 59 | (22) |
| Total investment income | 38 | 60 | (22) |
| Other financial income from | | | |
| receivables held as fixed assets from others | 1 | 5 | (4) |
| securities held as fixed assets other than equity investments | 1 | 0 | 1 |
| securities held as current assets other than equity investments | 45 | 127 | (82) |
| Other income from | | | |
| unconsolidated subsidiaries | 4 | 8 | (4) |
| associated companies | 6 | 7 | (1) |
| others | 1,252 | 1,352 | (100) |
| Total other income | 1,262 | 1,367 | (105) |
| Total other financial income | 1,309 | 1,499 | (190) |
| Interest and other financial expenses from | | | |
| unconsolidated subsidiaries | 0 | (3) | 3 |
| associated companies | (5) | (6) | 1 |
| parent companies | (1) | (1) | 0 |
| others | (2,049) | (2,614) | 565 |
| Total interest and other financial expenses | (2,055) | (2,624) | 569 |
| Foreign exchange gains and losses | 25 | 64 | (39) |
| TOTAL FINANCIAL INCOME AND EXPENSES | (683) | (1,001) | 318 |

IFI Group

CONSOLIDATED STATEMENT OF OPERATIONS (continued)

| (€ in millions) | 2004 | 2003 | Change |
|---|----------------|----------------|--------------|
| ADJUSTMENTS TO FINANCIAL ASSETS | | | |
| | | | (note 17) |
| Revaluations of | | | |
| equity investments | 203 | 229 | (26) |
| securities held in current assets other than equity investments | 0 | 15 | (15) |
| Total revaluations | 203 | 244 | (41) |
| Writedowns of | | | |
| equity investments | (166) | (306) | 140 |
| financial fixed assets other than equity investments | (23) | (1) | (22) |
| securities held in current assets other than equity investments | (3) | (9) | 6 |
| financial receivables | (74) | (6) | (68) |
| Total writedowns | (266) | (322) | 56 |
| TOTAL ADJUSTMENTS TO FINANCIAL ASSETS | (63) | (78) | 15 |
| EXTRAORDINARY INCOME AND EXPENSES | | | |
| | | | (note 18) |
| Income | | | |
| gains on disposals | 813 | 2,080 | (1,267) |
| other income | 173 | 197 | (24) |
| Total income | 986 | 2,277 | (1,291) |
| Expenses | | | |
| losses on disposals | (7) | (56) | 49 |
| taxes relating to prior years | (39) | (27) | (12) |
| other expenses | (1,290) | (1,661) | 371 |
| Total expenses | (1,336) | (1,744) | 408 |
| TOTAL EXTRAORDINARY INCOME AND EXPENSES | (350) | 533 | (883) |
| LOSS BEFORE TAXES | (1,057) | (941) | (116) |
| INCOME TAXES, CURRENT AND DEFERRED | | | |
| | | | (note 19) |
| LOSS BEFORE MINORITY INTEREST | (1,029) | (1,647) | 618 |
| Minority interest | 1,146 | 1,517 | (371) |
| NET INCOME (LOSS) | 117 | (130) | 247 |

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2004 have been prepared in accordance with the provisions contained in 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.

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, 2004 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 Alpitour Group has been consolidated on a line-by-line basis using the consolidated accounting data at October 31, 2004, owing to the impossibility of obtaining, on timely basis without disproportionate expense, consolidated accounting data as of the date of the 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 or the clarity of the financial statements.

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 (Legislative Decree No. 127/91, art. 28).

Changes in the scope of consolidation

Changes in the scope of consolidation are described below.

IFIL Holdings System

For the purpose of contributing to new investment opportunities, during the first half IFIL set up new organizations in the United States (in February) and Asia (in June), with offices, respectively, in New York and Hong Kong.

With similar objectives in mind, at the end of June, Ifil Investissements purchased 100% of the capital stock of Sadco, with head offices in Switzerland, from Exor Group.

These holdings have been consolidated line-by-line in 2004.

Fiat Group

In February 2004, 100% of the interest held in Fiat Engineering S.p.A. was sold to Maire Investimenti S.p.A. and the company was therefore deconsolidated as of the beginning of the year. At the same time, the Fiat Group subscribed to a capital increase of Maire Investimenti S.p.A. (now Maire Engineering S.p.A.) and currently owns 30% of the capital of this company. On said 30% interest, both parties hold put (Fiat Group) and call (Maire Engineering S.p.A.) options that are exercisable within three years at a predetermined price.

Effective January 1, 2004, the Group consolidated Magneti Marelli Sistemi Elettronici on a line-by-line basis following gradual acquisition of actual control over this strategic supplier of Fiat Auto and other automotive groups. In 2002, this business had been sold to the Mekfin Group, which in turn sold it to the Ixfin Group. So that the company would punctually respect the commitments it had made to its customers and continue pursuing its growth strategies, an agreement was signed at the end of 2003 between the Ixfin Group and the Fiat Group, on the basis of which Magneti Marelli, pursuant to an agreement providing for the beneficial interest in the shares, with voting rights, started to take an increasingly active role in the management of Electronic Systems in 2004. On July 28, 2004 the Fiat Group decided to acquire full ownership thereof by exercising a call option.

In September 2004, Magneti Marelli sold the 100% interest in the Midas business (automotive repair and maintenance services) in Europe and Latin America to the Norauto Group and deconsolidated the related activities from September 30, 2004.

For a better understanding of the variations in the statement of operations, it should be noted that major changes in the composition of the Group took place during 2003, the most important of which had an impact on 2004 are indicated below:

- at the end of March 2003, the retail financing activities of Fiat Auto Holdings in Brazil were sold to the Itaù banking group and deconsolidated from that date;
- on May 2, 2003, the agreement for the sale of the Toro Assicurazioni Group to the DeAgostini Group was executed and the Toro Group was deconsolidated as of that date;
- on May 27, 2003, Fiat and a pool of banks completed the sale of 51% of Fidis Retail Italia (FRI), a company which at that time controlled part of the European consumer credit business of Fiat Auto Holdings for retail automobile purchases; another part of this business was sold to FRI in October 2003, while the sale of the company operating in the United Kingdom was concluded in 2004;
- in execution of the contract signed on July 1, 2003, the sale was finalized for the aerospace activities of FiatAvio S.p.A. to Avio Holding S.p.A., 70% owned by The Carlyle Group and 30% by Finmeccanica S.p.A..

Worms & Cie Group

The most important changes in the scope of consolidation refer to the purchase, by the Antalis Group, on July 1, 2004, of the Brangs & Heinrich Group, which was consolidated line-by-line starting from the second half of 2004, and the sale of the Roumain RTC Group, on December 21, 2004, and therefore consolidated line-by-line for the entire year 2004.

Alpitour Group

The following companies were consolidated line-by-line during the year ended October 31, 2004: Neos (previously accounted for using the equity method) now 100%-controlled, Altamarea International S.p.A. (a newly-formed company in which a 100% stake was acquired), operating in the sector for the marketing of tourist-hotel facilities, Blumarini Hotel Sicilia (in which a further stake was purchased and is now 90%-owned) and Jumboturismo (in which the remaining 24.16% stake was purchased, bringing the interest to the current 100%).

The investments in Jumbo Renta S.A. (consolidated line-by-line in 2003) and Promoviaggi (accounted for using the equity method in 2003) were sold.

Moreover, the investments in Minerva Viaggi, Saugo Viaggi, Viaggi Galleria 57 and in Welcome We Travel are stated at cost, in view of the impossibility of obtaining their data on a timely basis.

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.). As regards the transition to International Accounting Standards "International Financial Reporting Standards IFRS" issued by the I.A.S.B., 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 Group, taking into account their functional integration, the financial companies that provide services to the Industrial Sectors of the Fiat Group and the insurance companies have 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 art. 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.

Again in reference to the financial statement formats, integrations have been made to comply with Legislative Decree No. 6 of 2003 "Reform of Corporate Law". Accordingly, the corresponding figures for the previous year have been reclassified.

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 interests exceed the value of their share of the relevant capital stock, the excess, or deficit, is charged to the Group, unless the minority stockholders are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should 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 (since 1994) 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", "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 using the straight-line method on the basis of the estimated period of recoverability or, alternatively, is deducted from the consolidation reserve up to the amount of the same. The positive difference is set off against the 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 fixed 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 according to the method indicated in the Italian Accounting Principle No. 24 "Intangible assets". In cases in which there is a permanent impairment in the estimated recovery value that is lower than carrying value, appropriate writedowns are recorded.

In keeping with the principle of prudence and international practice in the Automotive Sector, 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.

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 below their carrying value, such assets are written down to the lower value, according to the method indicated in the Italian Accounting Principle No. 16, "Tangible assets".

Ordinary repairs and maintenance expenses related to property, plant and equipment are 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 useful life 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.

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, 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.

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 principally 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 contracts 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.

Reserve for employee severance indemnities

The reserve for employee severance indemnities comprises the 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.

Reserve 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. In particular, where reference is made to IAS 19 "Employee Benefits" for the accounting of certain contractual features in the absence of specific Italian regulations, the Group has adopted the "corridor" method.

As regards the Worms & Cie Group, the early adoption by the Group of IAS 19, as provided by French regulations, gave rise to effects that have been booked to consolidated stockholders' equity. Such effect gave rise to a reduction in consolidated stockholders' equity of the Worms & Cie Group of € 57 million (net of taxes).

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 in 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 and the evolution of the law now underway, the Group maintains, consistently with Consob rulings, that IAS 39 is 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. 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, premiums collected by the insurance companies are recognized on an 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.

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 discounting 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 the accrual basis.

Income taxes

Income taxes currently payable are provided for in accordance with the existing legislation of the countries in which the Group's companies operate.

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 deferred tax assets in current assets, if a deferred tax asset, and in the deferred tax reserve, if a deferred tax liability.

COMMENTS ON THE PRINCIPAL COMPONENTS OF THE CONSOLIDATED BALANCE SHEET

1) Intangible fixed assets

| € in millions | Net of amortization 12/31/2003 | Additions | Amortiz. | Change in the scope of consolidation | Reclassific. | Foreign exchange effects | Disposals and other changes | Net of amortization 12/31/2004 |
|--|--------------------------------------|------------|--------------|--|--------------|--------------------------------|-----------------------------------|--------------------------------------|
| Start-up and expansion costs | 155 | 11 | (45) | 0 | 0 | 1 | 1 | 123 |
| Research, development and advertising expenses | 22 | 4 | (9) | 0 | 11 | 0 | 0 | 28 |
| Industrial patents and intellectual property rights | 406 | 48 | (116) | 3 | 85 | (14) | (10) | 402 |
| Concessions, licenses, trademarks and similar rights | 383 | 53 | (97) | (16) | 31 | (10) | (2) | 342 |
| Goodwill | 159 | 1 | (16) | 38 | 0 | (9) | (15) | 158 |
| Intangible assets in progress and advances | 255 | 112 | 0 | 0 | (143) | (1) | (9) | 214 |
| Other intangible assets | 167 | 41 | (70) | (7) | 17 | 0 | (1) | 147 |
| Differences on consolidation | 3,164 | 72 | (335) | 30 | (1) | (130) | (21) | 2,779 |
| Total intangible fixed assets | 4,711 | 342 | (688) | 48 | 0 | (163) | (57) | 4,193 |

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

| € in millions | Net of amortiz. 12/31/2003 | Additions | Amortiz. | Change in the scope of consolidation | Reclassific. | Foreign exchange effects | Disposals and other changes | Net of amortiz. 12/31/2004 |
|--|----------------------------------|------------|--------------|--|--------------|--------------------------------|-----------------------------------|----------------------------------|
| Fiat Group | | | | | | | | |
| Start-up and expansion costs | 144 | 11 | (41) | 0 | 0 | 1 | 0 | 115 |
| Research, development and advertising expenses | 22 | 4 | (9) | 0 | 11 | 0 | 0 | 28 |
| Industrial patents and intellectual property rights | 406 | 48 | (116) | 3 | 85 | (14) | (10) | 402 |
| Concessions, licenses, trademarks and similar rights | 347 | 37 | (82) | (16) | 21 | (10) | 0 | 297 |
| Goodwill | 151 | 1 | (16) | 38 | 0 | (9) | (14) | 151 |
| Intangible assets in progress and advances | 246 | 99 | 0 | 0 | (131) | 0 | (10) | 204 |
| Other intangible assets | 157 | 38 | (65) | (7) | 14 | 0 | (1) | 136 |
| Differences on consolidation | 2,251 | 26 | (146) | 0 | 0 | (130) | (12) | 1,989 |
| Total Fiat Group | 3,724 | 264 | (475) | 18 | 0 | (162) | (47) | 3,322 |
| Worms & Cie Group | | | | | | | | |
| Concessions, licenses, trademarks and similar rights | 32 | 11 | (14) | 0 | 10 | 0 | (1) | 38 |
| Intangible assets in progress and advances | 8 | 13 | 0 | 0 | (10) | (1) | 0 | 10 |
| Other intangible assets | 2 | 0 | (2) | 0 | 1 | 0 | 1 | 2 |
| Differences on consolidation | 871 | 0 | (147) | 30 | (1) | 0 | 0 | 753 |
| Total Worms & Cie Group | 913 | 24 | (163) | 30 | 0 | (1) | 0 | 803 |
| Alpitour Group | | | | | | | | |
| Start-up and expansion costs | 2 | 0 | (1) | 0 | 0 | 0 | 0 | 1 |
| Concessions, licenses, trademarks and similar rights | 3 | 5 | (1) | 0 | 0 | 0 | 0 | 7 |
| Goodwill | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| Intangible assets in progress and advances | 2 | 0 | 0 | 0 | (2) | 0 | 0 | 0 |
| Other intangible assets | 7 | 3 | (3) | 0 | 2 | 0 | 0 | 9 |
| Differences on consolidation | 43 | 9 | (5) | 0 | 0 | 0 | (10) | 37 |
| Total Alpitour Group | 64 | 17 | (10) | 0 | 0 | 0 | (10) | 61 |
| IFIL Holdings System | | | | | | | | |
| | 10 | 37 | (40) | 0 | 0 | 0 | 0 | 7 |
| Total intangible fixed assets | 4,711 | 342 | (688) | 48 | 0 | (163) | (57) | 4,193 |

Major changes, by Group, are described below.

Fiat Group

Intangible fixed assets are shown net of accumulated writedowns of € 662 million (€ 614 million at December 31, 2003) of which € 604 million (€ 579 million at December 31, 2003) relates to goodwill and differences on consolidation. Writedowns recorded in 2004 amount to € 48 million (€ 55 million in 2003) and are included in the disposals and other changes column.

Start-up and expansion costs at December 31, 2004 consist of deferred plant start-up costs and corporate formation costs of € 57 million (€ 60 million at December 31, 2003) and capital increase costs of € 58 million (€ 84 million at December 31, 2003).

Differences on consolidation total € 1,989 million at December 31, 2004 (€ 2,251 million at December 31, 2003) and include the net residual amounts (net of amortization and writedowns, as described below) on the acquisition of the Case Group and other CNH Group companies for € 1,756 million, the Irisbus Group for € 43 million, Meridian Technologies Inc. for € 23 million, certain Components Sector companies for € 39 million (including € 20 million as a result of the purchase of Magneti Marelli Sistemi Elettronici in 2004), certain Production Systems Sector companies for € 39 million and other minor companies for € 26 million. Differences on consolidation also include that deriving from the Tender Offer issued in 2000 for the shares of Magneti Marelli S.p.A. for € 15 million, as well as that from the CNH Global N.V. capital increase effected in 2000 for € 48 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, 2004 that gave rise to writedowns totaling € 25 million (€ 38 million at December 31, 2003).

Worms & Cie Group

The balance of € 803 million at December 31, 2004 mainly includes the residual difference on consolidation on the purchase of the ex-AWA Group (€ 746 million), which is being amortized over 20 years. The change in the scope of consolidation during 2004 is principally due to the acquisition of the Brangs & Heinrich Group (€ 22 million).

Alpitour Group

The differences on consolidation regarding the subsidiaries of the Alpitour 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.

Part of the increase, € 7 million, refers to the goodwill paid on the purchase of the additional 24.16% stake in the company Jumboturismo S.A.

IFIL Holdings System

The difference on consolidation which originated in 2004 on the purchase of NHT capital stock (€ 37 million) was amortized at the end of the first quarter of 2004 for € 24 million since it could not be allocated. At the end of 2004, taking into account that on consolidation the IFIL Group had in the past deducted the difference on consolidation on 90% of the investment in the Alpitour Group from the consolidation reserve, a charge was then made to completely amortize the remaining amount of € 13 million.

2) Property, plant and equipment

| € in millions | Net of depreciation 12/31/2003 | Additions | Depreciation | Change in the scope of consol. | Reclassific. | Foreign exchange effects | Disposals and other changes | Net of depreciation 12/31/2004 | Accumulated depr. and writ. 12/31/2004 |
|--|-----------------------------------|--------------|----------------|-----------------------------------|--------------|-----------------------------|-----------------------------------|-----------------------------------|--|
| Land and buildings | 3,115 | 85 | (170) | 21 | 101 | 23 | (76) | 3,099 | 2,293 |
| Plant and machinery | 3,401 | 299 | (606) | 28 | 167 | 4 | (76) | 3,217 | 7,816 |
| Industrial and commercial equipment | 2,104 | 549 | (748) | 13 | 398 | 7 | (15) | 2,308 | 8,105 |
| Other assets | 1,363 | 630 | (337) | 3 | 13 | (12) | (376) | 1,284 | 1,844 |
| Construction in progress and advances | 828 | 702 | (1) | 3 | (679) | (1) | (127) | 725 | 0 |
| Total property, plant and equipment | 10,811 | 2,265 | (1,862) | 68 | 0 | 21 | (670) | 10,633 | 20,058 |

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

| € in millions | Net of depreciation 12/31/2003 | Additions | Depreciation | Change in the scope of consol. | Reclassific. | Foreign exchange effects | Disposals and other changes | Net of depreciation 12/31/2004 | Accumulated depr. and writ. 12/31/2004 |
|---|-----------------------------------|--------------|----------------|-----------------------------------|--------------|-----------------------------|-----------------------------------|-----------------------------------|--|
| Fiat Group | | | | | | | | | |
| Land and buildings | 2,736 | 61 | (139) | 16 | 56 | 29 | (63) | 2,696 | 2,010 |
| Plant and machinery | 3,393 | 293 | (605) | 28 | 167 | 4 | (76) | 3,204 | 7,810 |
| Industrial and commercial equipment | 1,504 | 493 | (627) | 14 | 323 | 16 | (15) | 1,708 | 6,828 |
| Other assets | 1,314 | 616 | (322) | (1) | 11 | (11) | (375) | 1,232 | 1,716 |
| Construction in progress and advances | 728 | 649 | 0 | 3 | (557) | (1) | (125) | 697 | 0 |
| Total Fiat Group | 9,675 | 2,112 | (1,693) | 60 | 0 | 37 | (654) | 9,537 | 18,364 |
| Worms & Cie Group | | | | | | | | | |
| Land and buildings | 289 | 18 | (27) | 4 | 15 | (4) | (9) | 286 | 259 |
| Industrial and commercial equipment | 599 | 53 | (120) | (1) | 75 | (9) | 0 | 597 | 1,276 |
| Other assets | 39 | 9 | (12) | 2 | 2 | 0 | (4) | 36 | 112 |
| Construction in progress and advances | 68 | 53 | (1) | 0 | (92) | 0 | (1) | 27 | 0 |
| Total Worms & Cie Group | 995 | 133 | (160) | 5 | 0 | (13) | (14) | 946 | 1,647 |
| Alpitour Group | | | | | | | | | |
| Land and buildings | 80 | 6 | (3) | (3) | 30 | (2) | (2) | 106 | 18 |
| Plant and machinery | 8 | 6 | (1) | 0 | 0 | 0 | 0 | 13 | 6 |
| Industrial and commercial equipment | 1 | 3 | (1) | 0 | 0 | 0 | 0 | 3 | 1 |
| Other assets | 12 | 5 | (3) | 2 | 0 | (1) | 1 | 16 | 16 |
| Construction in progress and advances | 31 | 0 | 0 | 0 | (30) | 0 | 0 | 1 | 0 |
| Total Alpitour Group | 132 | 20 | (8) | (1) | 0 | (3) | (1) | 139 | 41 |
| IFIL Holdings System and intragroup eliminations | | | | | | | | | |
| | 9 | 0 | (1) | 4 | 0 | 0 | (1) | 11 | 6 |
| Total | 10,811 | 2,265 | (1,862) | 68 | 0 | 21 | (670) | 10,633 | 20,058 |

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 € 197 million at December 31, 2004 (€ 231 million at December 31, 2003).

No interest expenses were capitalized in 2004 or in 2003.

The change in the scope of consolidation shows a positive balance of € 60 million as a result of the entry of companies for € 125 million and the sale of companies for € 65 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, with a negative balance of € 654 million, also include the writedowns recorded during the year for € 84 million (€ 351 million in 2003), detailed by Sector as follows: Automobiles € 75 million, Metallurgical Products € 4 million, Components € 1 million, and other minor companies € 4 million. This item also comprises disposals relating to assets on operating leases of € 303 million.

Other assets include vehicles on operating leases for € 828 million at December 31, 2004 (€ 914 million at December 31, 2003), mainly relating to long-term leases.

Worms & Cie Group

Property, plant and equipment include assets under finance leases for € 7 million (€ 125 million at December 31, 2003). The reduction from December 31, 2003 is due to the end of the leases of AWA Ltd. The depreciation of property, plant and equipment includes € 54 million of extraordinary depreciation.

Alpitour Group

The change in the scope of consolidation is principally the result of the first-time line-by-line consolidation of Neos, the airline company of the Group (+€ 2 million) and the deconsolidation of the subsidiary Jumbo Renta, a company owning commercial properties in Spain (-€ 3 million) that was sold in April 2004.

Additions mainly include the costs for the construction work on a new tourist resort in Sicily, in Arenella (province of Siracusa) for € 17 million, as well as the financial charges related specifically to the financing received (€ 1 million). Mortgages are carried by financial institutions on certain buildings held by the Alpitour Group (mainly tourist resorts) for € 2 million.

The residual net book value of monetary revaluations effected in prior years on buildings held by the Alpitour Group, as allowed by specific laws, amounts to € 0.3 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 12/31/2003 | Revaluations | Writedowns | Change in the scope of consolidation | Increases | Foreign exchange effects | Disposals and other changes | Balance at 12/31/2004 |
|-----------------------------|--------------------------|--------------|--------------|--|------------|--------------------------------|-----------------------------------|--------------------------|
| Unconsolidated subsidiaries | 488 | 11 | (35) | (13) | 16 | 2 | (186) | 283 |
| Associated companies | 4,465 | 191 | (106) | 0 | 191 | 12 | (554) | 4,199 |
| Other companies | 926 | 1 | (10) | (3) | 8 | 0 | (154) | 768 |
| Total investments | 5,879 | 203 | (151) | (16) | 215 | 14 | (894) | 5,250 |

Revaluations and writedowns include the Group's share of the earnings or losses of companies accounted for using the equity method, the amortization of the differences on consolidation and the loss in value of the companies stated 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 12/31/2003 | Revaluations | Writedowns | Change in the scope of consolidation | Increases | Foreign exchange effects | Disposals and other changes | Balance at 12/31/2004 |
|---|--------------------------|--------------|--------------|--|------------|--------------------------------|-----------------------------------|--------------------------|
| IFI and IFIL Holdings System | | | | | | | | |
| Unconsolidated subsidiaries | 48 | 0 | (4) | 0 | 0 | 0 | 0 | 44 |
| Associated companies | 646 | 27 | (14) | 0 | 116 | 0 | (509) | 266 |
| Other companies | 641 | 0 | 0 | 0 | 0 | 0 | (35) | 606 |
| Total IFI and IFIL Holdings System | 1,335 | 27 | (18) | 0 | 116 | 0 | (544) | 916 |
| Fiat Group | | | | | | | | |
| Unconsolidated subsidiaries | 435 | 11 | (31) | (13) | 16 | 2 | (184) | 236 |
| Associated companies | 3,202 | 113 | (70) | 3 | 74 | 17 | (9) | 3,330 |
| Other companies | 257 | 1 | (9) | (3) | 7 | 0 | (95) | 158 |
| Total Fiat Group | 3,894 | 125 | (110) | (13) | 97 | 19 | (288) | 3,724 |
| Worms & Cie Group | | | | | | | | |
| Unconsolidated subsidiaries | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Associated companies | 613 | 51 | (22) | (1) | 1 | (5) | (36) | 601 |
| Other companies | 28 | 0 | (1) | 0 | 1 | 0 | (24) | 4 |
| Total Worms & Cie Group | 643 | 51 | (23) | (1) | 2 | (5) | (60) | 607 |
| Alpitour Group | | | | | | | | |
| Unconsolidated subsidiaries | 3 | 0 | 0 | 0 | 0 | 0 | (2) | 1 |
| Associated companies | 4 | 0 | 0 | (2) | 0 | 0 | 0 | 2 |
| Total Alpitour Group | 7 | 0 | 0 | (2) | 0 | 0 | (2) | 3 |
| Total investments | 5,879 | 203 | (151) | (16) | 215 | 14 | (894) | 5,250 |

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

IFI and IFIL Holdings System

Increases of € 116 million refer to the purchase of 9.53% of Eurofind capital stock from Mediobanca in January 2004 from the subsidiary Ifil Investissements.

The disposals and other changes column includes the sale of 50% of the capital stock of Eurofind Food (€ 481 million) and 7.2% of the capital stock of Club Méditerranée (€ 35 million).

Fiat Group

The change in the scope of consolidation, with reference to investments in unconsolidated subsidiaries, is due to the line-by-line consolidation of some minor subsidiaries.

The amounts included in the increases column are mainly related to the following acquisitions and capitalizations:

- investments in unconsolidated subsidiaries: capitalization of the company Fiat Auto S.A. de Ahorro para Fines Determinados (€ 6 million), acquisition of the company BMI S.p.A. (€ 4 million) and other minor companies (€ 6 million);
- investments in associated companies: acquisitions of the companies Maire Engineering S.p.A (€ 35 million) and Immobiliare Novoli S.p.A. (€ 21 million); capitalization of the companies CNH Capital Europe S.A.S. (€ 8 million), CNH de Mexico SA de CV (€ 5 million) and other minor companies (€ 5 million);
- investments in other companies: acquisition of the company Lingotto S.p.A. (€ 3 million) and other minor companies (€ 4 million).

Disposals and other changes refer principally to:

- investments in unconsolidated subsidiaries: the change refers to the dividends distributed by BUC - Banca Unione di Credito;
- investments in associated companies: sale of the company Toro Targa Assicurazioni S.p.A. (-€ 13 million) and other minor companies (€ 4 million);
- investments in other companies: sale of the investments in Edison S.p.A. (€ 65 million) and Gas Turbine Technologies S.p.A. (€ 6 million), liquidation of Kish Receivables Company (€ 21 million) and sales of other minor companies (€ 3 million).

Worms & Cie Group

Disposals and other changes include the sale of the investment in Accor (€ 23 million), reimbursements and distributions of reserves by Pechel Industries and SGS (€ 29 million) and other minor changes (€ 8 million).

Investments in unconsolidated subsidiaries

| € in millions | % | 12/31/2004 | % | 12/31/2003 | Change |
|---|-------|------------|-------|------------|--------------|
| IFI and IFIL Holdings System | | | | | |
| Juventus Football Club S.p.A. | 61.69 | 44 | 62.0 | 48 | (4) |
| Fiat Group | | | | | |
| Buc- Banca Unione di Credito | 100.0 | 171 | 100.0 | 340 | (169) |
| Leasys S.p.A. | 51.0 | 16 | 51.0 | 36 | (20) |
| Fiat Group - sundry unconsolidated subsidiaries | | 49 | | 59 | (10) |
| | | 236 | | 435 | (199) |
| Worms & Cie Group - sundry companies | | 2 | | 2 | 0 |
| Alpitour Group - sundry companies | | 1 | | 3 | (2) |
| Total investments in unconsolidated subsidiaries | | 283 | | 488 | (205) |

Unconsolidated subsidiaries of the Fiat Group

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 € 443 million (€ 297 million at December 31, 2003).

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 | 12/31/2004 | 12/31/2003 | Change |
|---|--------------|--------------|--------------|
| IFI and IFIL Holdings System | | | |
| Exor Group S.A. | 196 | 179 | 17 |
| Eurofind Textile | 70 | 0 | 70 |
| Eurofind Group | 0 | 467 | (467) |
| | 266 | 646 | (380) |
| Fiat Group | | | |
| Fiat -GM Powertrain B.V. | 1,258 | 1,172 | 86 |
| Italenergia Bis S.p.A. | 514 | 512 | 2 |
| Fidis Retail Italia S.p.A. | 420 | 372 | 48 |
| Tofas Turk Otomobil Fabrikasi Tofas A.S. | 183 | 156 | 27 |
| Sevel S.p.A. | 120 | 118 | 2 |
| Rizzoli Corriere della Sera MediaGroup S.p.A. (ex-H.d.P. S. p.A.) | 101 | 99 | 2 |
| Kobelco Construction Machinery Co. Ltd | 99 | 103 | (4) |
| Naveco Ltd. | 94 | 102 | (8) |
| CNH Capital Europe S.a.S. | 58 | 45 | 13 |
| Société Européenne de Véhicules Légers du Nord - Sevelnord S.A. | 52 | 49 | 3 |
| Fiat Group - sundry companies | 431 | 474 | (43) |
| | 3,330 | 3,202 | 128 |
| Worms & Cie Group | | | |
| SGS S.A. | 566 | 560 | 6 |
| WORMS & Cie Group - sundry companies | 35 | 53 | (18) |
| | 601 | 613 | (12) |
| Alpitour Group | | | |
| | 2 | 4 | (2) |
| Total associated companies | 4,199 | 4,465 | (266) |

Associated companies of the IFIL Holdings System

The change in these investments is due to the following transactions:

- proportional spin-off of Eurofind, in December, through two newly-formed Luxembourg-registered companies named Eurofind Food and Eurofind Textile;
- sale to Auchan Group, in the second half of December, of 50% of Eurofind Food capital stock.

The carrying value of the investment in the Eurofind Textile Group includes a residual difference on consolidation of € 22 million.

Associated companies of the Fiat Group

The Fiat Group 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 carry a negative net financial position of € 1,203 million (€ 1,093 million at December 31, 2003).

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 B.V., drawn up in accordance with the accounting principles of the Fiat Group for the valuation of the investment using the equity method at December 31, 2004 and 2003 are as follows:

| € in millions | 12/31/2004 | 12/31/2003 |
|---------------------------|------------|------------|
| Balance sheet data | | |
| Fixed assets | 3,149 | 3,250 |
| Total assets | 6,581 | 6,611 |
| Net indebtedness | (1,273) | (1,238) |
| Stockholders' equity | 2,516 | 2,344 |

| € in millions | 2004 | 2003 |
|-------------------------------------|-------|-------|
| Statement of operations data | | |
| Net sales | 6,530 | 6,598 |
| Operating income | 255 | 296 |
| Net financial expenses | 31 | 38 |
| Net income | 139 | 180 |

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, commencing in 2001 and during the period in which the industrial convergence is being implemented (estimated in approximately three years), the Group's share of the results of the company has been 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 (€ 127 million in 2004, € 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.

Lastly, as a consequence of the "Termination Agreement" signed between Fiat and General Motors on February 13, 2005, the joint venture will be dissolved during the first half of 2005 in the manner described previously in the Report on Operations – Significant events occurring since the end of the fiscal year and business outlook. Based upon the rules established in the agreement for the allocation of the assets between the two partners, it is deemed that the carrying value of Fiat-GM Powertrain recorded in the financial statements is fully recoverable.

Italenergia Bis

With reference to the investment in Italenergia Bis S.p.A., during the second half of 2002, the Fiat Group had 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 ask Fiat to exercise for each of them the put clause of the put/call agreed with EDF at the same price conditions as the EDF Put (valuation at fair market value, minimum floor of € 5.141698 per share);
 - 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 2002, 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 to EDF at the same price conditions as the EDF Put.

In order to complete disclosure, it should be pointed out that in December 2004 Fiat received a letter in which EDF advised that it intends to invoke the arbitration rights available under the Put Option Agreement signed in September 2002 with Fiat. EDF claims that certain recent changes to Italian legislation have raised uncertainty regarding the nature and extent of the rights and interests that it would acquire under the Put Option Agreement. Fiat has reviewed its legal position on the issues raised by EDF and it believes that its rights under the Put Option Agreement are unaffected by the position communicated by EDF. At the end of December 2004, EDF asked the organization which administers arbitration proceedings – the London Court of International Arbitration – to commence arbitration for the above reasons. Fiat has presented its defense case before the Court. It is probable that the arbitration will end by the end of the year.

Again in December, EDF initiated arbitration proceedings against Fiat with regard to the Put on the 14% holding sold to the three Banks in 2002 and functionally at the service of the tag-along/drag-along right granted to the same Banks in the event of exercising the Put Option relative to the 24.6% holding. In this request, too, EDF claims that certain recent changes to Italian legislation have raised uncertainty regarding the nature and extent of the rights and interests that it would acquire under the Put Option Agreement. Also in this case, Fiat has reviewed its legal position on the issues raised by EDF and it believes that its rights under the Put Option Agreement are well-founded. The arbitration is under the administration of the International Chamber of Commerce and in its initial stages.

The legal steps taken by EDF are to be associated with similar actions undertaken by EDF with regard to the other stockholders of Italenergia Bis and with the well-known initiatives, according to press reports, advanced in relation to other operators in the sector and financial operators aimed at identifying an industrial or financial partner in Italenergia Bis. Press sources have also revealed that negotiations are underway between the Italian and French governments concerning the reciprocal opening of the electricity market.

On March 21, 2005 Fiat exercised the Put option relating to 24.6% of the shares as well as the Put on the 14% holding sold to the three banks in 2002.

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 various companies operating in 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 Auto to purchase 51% of Fidis Retail Italia, held by Synesis Finanziaria, exercisable quarterly up to January 31, 2008 (initially up to January 31, 2006, before the extension agreed on February 4, 2005) at a price increased *prorata temporis* over the sale price plus additional payments less any distributions;
- Synesis Finanziaria’s right to ask Fiat Auto to exercise the above purchase option on 51% of Fidis Retail Italia in the event of which, by January 31, 2008 (January 31, 2006, before the above mentioned extension) 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 Auto, 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, 2008 (originally 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, 2008 (January 31, 2006, before the above mentioned extension).

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 Group.

Associated companies of the Worms & Cie Group

The carrying value of the investment in SGS S.A. includes a difference on consolidation of € 373 million which is being amortized over 20 years (€ 393 million at December 31, 2003).

Associated companies of the Alpitour Group

The change in the scope of consolidation (-€ 2 million) is due to the first-time line-by-line consolidation of Neos S.p.A., in which a 50% stake had already been held in 2003.

Investments in other companies

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|-------------------------------------|------------|------------|--------------|
| IFI and IFIL Holdings System | | | |
| Sanpaolo IMI S.p.A. | 601 | 601 | 0 |
| Club Méditerranée S.A. | 0 | 35 | (35) |
| Other unlisted investments | 5 | 5 | 0 |
| | 606 | 641 | (35) |
| Fiat Group | | | |
| Mediobanca S.p.A. | 93 | 93 | 0 |
| Edison S.p.A. | 0 | 65 | (65) |
| Other unlisted investments | 65 | 99 | (34) |
| | 158 | 257 | (99) |
| Worms & Cie Group | | | |
| Accor S.A. | 0 | 23 | (23) |
| Other unlisted investments | 4 | 5 | (1) |
| | 4 | 28 | (24) |
| Total other companies | 768 | 926 | (158) |

Financial fixed assets – Receivables

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|---------------------------------------|---------------------|---------------------|-----------|-----------------------------|---------------------|---------------------|------------|-----------------------------|
| | 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 |
| Receivables from associated companies | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 |
| Receivables from others | 23 | 25 | 48 | 7 | 18 | 170 | 188 | 129 |
| Total receivables | 24 | 25 | 49 | 7 | 19 | 170 | 189 | 129 |

Details, by Group, are as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|---------------------------------------|---------------------|---------------------|-----------|-----------------------------|---------------------|---------------------|------------|-----------------------------|
| | 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 | 8 | 8 | 0 | 0 | 7 | 7 | 0 |
| Fiat Group | | | | | | | | |
| Receivables from others | 18 | 1 | 19 | 0 | 4 | 25 | 29 | 2 |
| Worms & Cie Group | | | | | | | | |
| Receivables from others | 1 | 5 | 6 | 4 | 8 | 124 | 132 | 124 |
| Alpitour Group | | | | | | | | |
| Receivables from associated companies | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 |
| Receivables from others | 4 | 11 | 15 | 3 | 6 | 14 | 20 | 3 |
| | 5 | 11 | 16 | 3 | 7 | 14 | 21 | 3 |
| Total receivables | 24 | 25 | 49 | 7 | 19 | 170 | 189 | 129 |

Financial receivables by the Fiat Group are shown in the financial statements net of the allowances for doubtful accounts of € 3 million (€ 5 million at December 31, 2003), with a provision of € 3 million during the year 2004; they approximate fair value which has 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 show a reduction of € 126 million. Of that amount, € 124 million is due to the early repayment of the loan granted by ArjoWiggins to the buyers of Appleton Papers Inc. in 2001 (nominal value of US\$ 321 million).

Financial receivables by the Alpitour Group, equal to € 16 million, include loans granted to companies operating hotels and suppliers providing tourist services, earning interest at floating rates based on the Euribor and Libor (€ 7 million). They also include security deposits (€ 8 million) to guarantee exclusive marketing contracts for the tourist resorts in the Maldives and in Tunisia, earning interest at floating rates based on the Euribor and Libor (of which € 3 million is due beyond five years), as well as other receivables from associated companies for € 1 million.

Financial fixed assets – Other securities

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|-------------------------------|------------|------------|-----------|
| Fiat Group | 55 | 56 | (1) |
| Worms & Cie Group | 34 | 23 | 11 |
| IFIL Holdings System | 5 | 5 | 0 |
| Total other securities | 94 | 84 | 10 |

Other securities of the Fiat Group are shown in the financial statements net of allowances for writedowns of € 24 million (€ 32 million at December 31, 2003). The writedown refers to the adjustment of the securities to estimated realizable value. At December 31, 2004, the carrying values are substantially in line with fair value.

Other securities of the Fiat Group are shown in the financial statements net of allowances for writedowns of € 24 million (€ 32 million at December 31, 2003). The writedown refers to the adjustment of the securities to estimated realizable value. At December 31, 2004, the carrying values are substantially in line with fair value.

Other securities of the Worms & Cie Group are basically composed of investments in Permal funds.

Other securities of the IFIL Holdings System refer to Ocean Club Méditerranée bonds, maturing on November 1, 2008. Such bonds 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 preferred treasury stock during the year; the balance at December 31, 2004 is as follows:

| | Number of shares | Carrying value | |
|----------------------|------------------|----------------|-----------------------|
| | | Unit (€) | 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, 2004 has a par value of € 5,360 thousand and represents 3.28% of capital stock (6.98% of the class of stock).

Based upon the average stock market prices for the second half of 2004 (€ 8.85), IFI preferred shares show an unrealized loss of € 23 million, which would be reduced to € 10 million based upon the average market prices for the period March 1 – 15, 2005 (€ 11.35).

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, 2004 (€ 13.9).

Financial fixed assets – Finance lease contracts receivable

| Net amount | | Financial amortization | Foreign exchange effects | Change in the scope of consolidation | Disposal and other changes | Accumulated | |
|------------|-----------|------------------------|--------------------------|--------------------------------------|----------------------------|-----------------------|-------------------------------|
| 12/31/2003 | Additions | | | | | Net amount 12/31/2004 | amort. and writed. 12/31/2004 |
| 1,797 | 793 | (557) | (5) | 4 | (305) | 1,727 | 1,192 |

Finance lease contracts receivable refer to vehicles sold by the Automotive Sectors of the Fiat Group under finance leases.

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

Other financial fixed assets

Other financial fixed assets total € 192 million (€ 315 million at December 31, 2003) and refer to the Worms & Cie Group. They comprise:

- the deposit of € 98 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;
- other receivables of € 2 million.

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

The reduction of € 123 million basically refers to the release of the deposit made by Arjo Wiggins Appleton to guarantee the commitments undertaken in connection with finance leases (-€ 111 million).

4) Current assets - Inventories

| € in millions | 12/31/2004 | | | 12/31/2003 | | |
|---|---------------|--------------|---------------|---------------|--------------|---------------|
| | Gross | Allowance | Net | Gross | Allowance | Net |
| Raw materials and supplies | 1,505 | (198) | 1,307 | 1,480 | (221) | 1,259 |
| Work in progress and semifinished products | 860 | (27) | 833 | 1,006 | (23) | 983 |
| Contract work in progress | 2,886 | 0 | 2,886 | 4,077 | 0 | 4,077 |
| Finished goods and merchandise | 4,503 | (407) | 4,096 | 4,897 | (466) | 4,431 |
| Advances to suppliers | 7,076 | 0 | 7,076 | 5,188 | 0 | 5,188 |
| Total inventories | 16,830 | (632) | 16,198 | 16,648 | (710) | 15,938 |
| Advance payments on contract work in progress (a) | (9,645) | 0 | (9,645) | (8,876) | 0 | (8,876) |
| Net inventories | 7,185 | (632) | 6,553 | 7,772 | (710) | 7,062 |

(a) With reference to the Fiat Group, for the sake of clarity, certain items involving customer advances on contract work posted in the past under "Other payables" (Note 11) were included in the item advance payments on contract work in progress at December 31, 2004. Consistently with this change, the value of advance payments on contract work in progress at December 31, 2003 was adjusted by € 428 million.

Inventories mainly refer to the Fiat Group (€ 15,617 million at December 31, 2004). Advance payments received from customers on contract work in progress (mainly connected with work to complete the T.A.V. project) amount to € 9,645 million (€ 8,876 million at December 31, 2003) and are recorded in payables (Note 11). Inventories, net of such advance payments received from customers, amount to € 5,972 million (€ 6,484 million at December 31, 2003). Advances to suppliers principally relate to 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 | 12/31/2004 | | | 12/31/2003 | | |
|--|---------------------|---------------------|---------------|---------------------|---------------------|---------------|
| | Due within one year | Due beyond one year | Total | Due within one year | Due beyond one year | Total |
| Trade receivables | 4,897 | 29 | 4,926 | 4,653 | 26 | 4,679 |
| Receivables from unconsolidated subsidiaries | 52 | 3 | 55 | 76 | 3 | 79 |
| Receivables from associated companies | 857 | 9 | 866 | 768 | 0 | 768 |
| Deferred tax assets | 778 | 1,428 | 2,206 | 564 | 1,343 | 1,907 |
| Receivables from tax authorities | 1,238 | 124 | 1,362 | 1,560 | 138 | 1,698 |
| Receivables from social security agencies | 26 | 0 | 26 | 15 | 0 | 15 |
| Receivables from employees | 38 | 2 | 40 | 35 | 2 | 37 |
| Receivables from others | 1,620 | 154 | 1,774 | 1,426 | 166 | 1,592 |
| Total receivables | 9,506 | 1,749 | 11,255 | 9,097 | 1,678 | 10,775 |

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

| € in millions | 12/31/2004 | | | 12/31/2003 | | |
|---|------------------------|------------------------|---------------|------------------------|------------------------|---------------|
| | Due within one year | Due beyond one year | Total | Due within one year | Due beyond one year | Total |
| Fiat Group | | | | | | |
| Trade receivables | 3,899 | 29 | 3,928 | 3,733 | 25 | 3,758 |
| subsidiaries | 49 | 3 | 52 | 73 | 3 | 76 |
| Receivables from associated companies | 855 | 9 | 864 | 764 | 0 | 764 |
| Deferred tax assets | 748 | 1,413 | 2,161 | 536 | 1,343 | 1,879 |
| Receivables from the tax authorities | 1,114 | 123 | 1,237 | 1,413 | 137 | 1,550 |
| Receivables from social security agencies | 25 | 0 | 25 | 14 | 0 | 14 |
| Receivables from employees | 36 | 2 | 38 | 33 | 2 | 35 |
| Receivables from others | 1,514 | 140 | 1,654 | 1,272 | 165 | 1,437 |
| Total Fiat Group | 8,240 | 1,719 | 9,959 | 7,838 | 1,675 | 9,513 |
| Worms & Cie Group | | | | | | |
| Trade receivables | 876 | 0 | 876 | 837 | 1 | 838 |
| Deferred tax assets | 9 | 15 | 24 | 23 | 0 | 23 |
| Receivables from the tax authorities | 45 | 1 | 46 | 52 | 1 | 53 |
| Receivables from social security agencies | 1 | 0 | 1 | 1 | 0 | 1 |
| Receivables from employees | 2 | 0 | 2 | 1 | 0 | 1 |
| Receivables from others | 82 | 12 | 94 | 109 | 0 | 109 |
| Total Worms & Cie Group | 1,015 | 28 | 1,043 | 1,023 | 2 | 1,025 |
| Alpitour Group | | | | | | |
| Trade receivables | 121 | 0 | 121 | 83 | 0 | 83 |
| subsidiaries | 3 | 0 | 3 | 2 | 0 | 2 |
| Receivables from associated companies | 2 | 0 | 2 | 4 | 0 | 4 |
| Deferred tax assets | 21 | 0 | 21 | 5 | 0 | 5 |
| Receivables from the tax authorities | 15 | 0 | 15 | 14 | 0 | 14 |
| Receivables from employees | 0 | 0 | 0 | 1 | 0 | 1 |
| Receivables from others | 24 | 2 | 26 | 45 | 1 | 46 |
| Total Alpitour Group | 186 | 2 | 188 | 154 | 1 | 155 |
| IFI and IFIL Holdings System | | | | | | |
| Trade receivables | 1 | 0 | 1 | 0 | 0 | 0 |
| subsidiaries | 0 | 0 | 0 | 1 | 0 | 1 |
| Receivables from the tax authorities | 64 | 0 | 64 | 81 | 0 | 81 |
| Total receivables | 9,506 | 1,749 | 11,255 | 9,097 | 1,678 | 10,775 |

Receivables from the 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.

Receivables due beyond five years, which refer entirely to the Fiat Group, amount to € 60 million (€ 12 million at December 31, 2003).

The increase in deferred tax assets of the Alpitour Group, for € 13 million, is due to the future tax benefit connected with the tax losses carried forward without an expiry date, recorded in the current year with a contra-entry to deferred tax benefits in the statement of operations. These tax losses arose upon the presentation of the tax return for the year ended October 31, 2002 by Neos in which it took advantage of the benefits provided under Law 383/2001 ("Tremonti bis") for aircraft under leasing contracts. The tax benefit in question was recorded when the October 31, 2004 financial statements were closed in view of the fact that it is deemed that the company has by now achieved a consolidated position of earnings, also in light of the results reported in recent years. In computing the effective tax benefit, account was taken of forecasts of future taxable income, reflected in the long-term plan

approved by the Board of Directors, which will come from a consolidation of short- and medium-haul operations and the start of the long-haul business; both these activities will be developed for the most part with the parent company Alpitour S.p.A..

It is therefore reasonably certain that in future years there will be taxable income sufficient to absorb the tax losses carried forward to the extent recorded in the financial statements. The recoverability of this item will be monitored in successive years and adjustments will be made as necessary.

Receivables are presented net of the allowance for doubtful accounts (in reference to trade receivables) for € 790 million. Movements in these allowance accounts in 2004 are as follows:

| € in millions | Balance at 12/31/2003 | Provisions | Use and other changes | Change in the scope of consolidation | Balance at 12/31/2004 |
|---------------------------------|--------------------------|------------|--------------------------|---|--------------------------|
| Allowance for doubtful accounts | 567 | 138 | 90 | (5) | 790 |

6) Current assets - Financial assets not held as fixed assets

Investments

Investments in other companies, entirely held by the Fiat Group, amount to € 33 million (€ 32 million at December 31, 2003) and consist of investments held by the insurance companies.

Other securities

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|--|--------------|--------------|----------------|
| Fiat Group | | | |
| 4,384,019 Fiat shares servicing the stock option plans | 26 | 32 | (6) |
| Italian government securities | 95 | 55 | 40 |
| Other securities | 2,089 | 3,790 | (1,701) |
| | 2,210 | 3,877 | (1,667) |
| Worms & Cie Group | | | |
| 69,787 Worms & Cie shares servicing the stock option plans | 0 | 1 | (1) |
| Certificates of deposit | 10 | 0 | 10 |
| Mutual investment funds | 17 | 36 | (19) |
| Commercial paper and other securities | 4 | 11 | (7) |
| | 31 | 48 | (17) |
| Alpitour Group | | | |
| Marketable securities and bonds | 4 | 5 | (1) |
| IFIL Holdings System | | | |
| 2,038,324 IFIL ordinary shares, of which 532,000 servicing stock options plans | 5 | 2 | 3 |
| Other short-term investments of liquidity and other securities | 1,047 | 427 | 620 |
| | 1,052 | 429 | 623 |
| Total other securities | 3,297 | 4,359 | (1,062) |

The analysis, by Group, is as follows.

Fiat Group

Treasury stock held by Fiat S.p.A. is destined to cover the commitments for the stock options granted to directors and employees. In particular, 2,667,615 shares are for coverage of the stock options accruing to Mr. Morchio and exercisable up to May 30, 2005 at the price of € 5.623; 670,000 shares are for the partial coverage of the stock options granted to Mr. Marchionne, as described in greater detail in Note 13, in the paragraph commenting the commitments for derivative financial instruments.

Italian government securities also include securities issued by other public entities and guaranteed by the Italian government.

At December 31, 2004, other securities include short-term bonds and commercial paper for € 703 million (€ 1,480 million at December 31, 2003) and highly rated liquidity funds of leading international banks for € 1,481 million (€ 2,365 million at December 31, 2003) in which mainly the treasury management companies of the Group had made temporary and highly liquid investments of available cash resources. Additional liquidity in the form of unrestricted bank accounts and cash is included in the caption cash for € 3,164 million (€ 3,211 million at December 31, 2003).

The value of Italian government securities and other securities approximates fair value.

IFIL Holdings System

At December 31, 2004, 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.

Financial receivables

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|------------------------------------|---------------------|---------------------|--------------|-----------------------------|---------------------|---------------------|---------------|-----------------------------|
| | 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 unconsolidated subsidiaries | 565 | 0 | 565 | 0 | 475 | 46 | 521 | 0 |
| From associated companies | 225 | 181 | 406 | 0 | 413 | 231 | 644 | 0 |
| From others | 4,065 | 2,374 | 6,439 | 414 | 6,508 | 3,097 | 9,605 | 422 |
| Total financial receivables | 4,855 | 2,555 | 7,410 | 414 | 7,396 | 3,374 | 10,770 | 422 |

Details, by Group, are as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|------------------------------------|---------------------|---------------------|--------------|-----------------------------|---------------------|---------------------|---------------|-----------------------------|
| | 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 |
| Fiat Group | | | | | | | | |
| From unconsolidated subsidiaries | 565 | 0 | 565 | 0 | 475 | 46 | 521 | 0 |
| From associated companies | 225 | 181 | 406 | 0 | 413 | 231 | 644 | 0 |
| From others | 3,806 | 2,374 | 6,180 | 414 | 6,488 | 3,097 | 9,585 | 422 |
| | 4,596 | 2,555 | 7,151 | 414 | 7,376 | 3,374 | 10,750 | 422 |
| Worms & Cie Group | | | | | | | | |
| From others | 7 | 0 | 7 | 0 | 9 | 0 | 9 | 0 |
| Alpitour Group | | | | | | | | |
| From others | 0 | 0 | 0 | 0 | 11 | 0 | 11 | 0 |
| IFIL Holdings System | | | | | | | | |
| From others | 252 | 0 | 252 | 0 | 0 | 0 | 0 | 0 |
| Total financial receivables | 4,855 | 2,555 | 7,410 | 414 | 7,396 | 3,374 | 10,770 | 422 |

Fiat Group

Financial receivables are shown net of allowances for doubtful accounts of € 440 million and show a reduction of € 3,599 million compared to the end of the prior year.

This reduction reflects lower loans made to dealer networks of the Automobile Sector, as well as the decline in the loans made to suppliers. Also contributing to the decrease in financial receivables are the sale of the financial activities of the Automobile Sector in the United Kingdom (deconsolidation of financial receivables for about € 690 million) and the collection of receivables and deposits held at December 31, 2003 by industrial companies and treasury management companies of the Group.

Movements in the allowances for doubtful financial accounts receivable during the year are as follows:

| Balance at 12/31/2003 | Provisions | Use and other changes | Change in the scope of consolidation | Balance at 12/31/2004 |
|--------------------------|------------|--------------------------|---|--------------------------|
| 316 | 239 | (96) | (19) | 440 |

The fair value of financial receivables would be approximately € 7,143 million at December 31, 2004 (€ 10,800 million at December 31, 2003). The fair value of financial receivables was determined in accordance with the method indicated in Note 3 - Financial fixed assets – Receivables.

Receivables from associated companies of € 406 million at December 31, 2004 (€ 644 million at December 31, 2003) decreased by € 238 million mainly due to loan repayments.

Financial receivables from others include € 5,302 million (€ 7,914 million at December 31, 2003) of financing granted to retail customers as well as dealer networks and suppliers. As regards the receivables from the dealer networks, reference can be made to the information provided in the Fiat Group Report on operations – Analysis of the Financial Position and Operating Results of the Fiat Group and Fiat S.p.A., with regard to the note on the Net Financial Position. Financial receivables from others also include the net value of subordinated securities of € 319 million (€ 214 million at December 31, 2003) subscribed as part of the securitization of financial receivables.

Alpitour Group

Financial receivables from others recorded in the financial statements at December 31, 2003 and relating to the sale of the properties in Turin, Cuneo and Milan were entirely collected in the year 2004.

IFIL Holdings System

Financial receivables of the IFIL Holdings System refer to the receivable of the subsidiary Ifil Investissements due from the Auchan Group for the sale of 50% of the capital stock of Eurofind Food, which will be collected by mid-2005.

7) Accrued income and prepaid expenses

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|---|------------|------------|-------------|
| Commercial accrued income: | | | |
| - Interest and commissions | 2 | 5 | (3) |
| - Other | 47 | 37 | 10 |
| Total commercial accrued income | 49 | 42 | 7 |
| Commercial prepaid expenses: | | | |
| - Interest | 8 | 39 | (31) |
| - Other | 382 | 356 | 26 |
| Total commercial prepaid expenses | 390 | 395 | (5) |
| Total commercial accrued income and prepaid expenses | 439 | 437 | 2 |
| Financial accrued income | 237 | 327 | (90) |
| Financial prepaid expenses | 93 | 85 | 8 |
| Total accrued income and prepaid expenses | 769 | 849 | (80) |

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

8) Stockholders' equity

Statement of changes in the consolidated stockholders' equity of the Group

| € in millions | Capital | Additional | Revaluation | Legal | Treasury stock | Retained | Cumulative | Net income | Stockholders' equity |
|---|------------|-----------------|-------------|-----------|-------------------|-----------------------------|-------------------------|---------------------|----------------------|
| | stock | paid-in capital | reserves | reserve | valuation reserve | earnings and other reserves | translation adjustments | (loss) for the year | |
| Balance at December 31, 2003 | 163 | 387 | 81 | 15 | 70 | 1,919 | (284) | (130) | 2,221 |
| Legal reserve adjustment | | | | 18 | | (18) | | | 0 |
| Net adjustments from the translation of foreign currency financial statements | | | | | | | (33) | | (33) |
| Other changes, net | | | | | | (36) | | | (36) |
| Appropriation of the prior year's loss and movements among equity accounts | | | | | | (130) | | 130 | 0 |
| Consolidated net income - Group | | | | | | | | 117 | 117 |
| Balance at December 31, 2004 | 163 | 387 | 81 | 33 | 70 | 1,735 ^(a) | (317) | 117 | 2,269 |

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

Capital stock

At December 31, 2004, 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 all with a par value of € 1 each.

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

Pursuant to art. 27 of the bylaws, 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.

Reserves

For the information required by art. 2427, number 7 bis of the Italian Civil Code regarding available and distributable reserves of the parent company, reference can be made to the notes to the statutory financial statements of IFI S.p.A..

Reconciliation to the stockholders' equity and net income (loss) for 2004 of the parent company IFI S.p.A.

| € in millions | 12/31/2004 | | 12/31/2003 | |
|---|----------------------|-------------------------|----------------------|-------------------------|
| | Net income (loss) | Stockholders' equity | Net income (loss) | Stockholders' equity |
| Statutory financial statements of IFI S.p.A. | 38 | 1,605 | 15 | 1,567 |
| Difference between the consolidated stockholders' equity and the stockholders' equity of the parent company at the beginning of the year | | 654 | | 931 |
| 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 | | (69) | | (132) |
| Share of earnings of consolidated companies and companies accounted for using the equity method, net of consolidation adjustments | 130 | 130 | (138) | (138) |
| Elimination of dividends received from consolidated companies and companies accounted for using the equity method | (51) | (51) | (4) | (4) |
| Adjustments to gains on sales of investments | 0 | 0 | (3) | (3) |
| Consolidated financial statements of the IFI Group | 117 | 2,269 | (130) | 2,221 |

Stockholders' equity – Minority interest

The minority interest in stockholders' equity of € 6,679 million at December 31, 2004 refers to the following interest ownership in the directly owned subsidiary IFIL:

| € in millions | 12/31/2004 | | | Total | 12/31/2003 |
|---------------|------------|-------------------------|----------|-------|------------|
| | % | Capital and reserves | Net loss | | |
| IFIL Group | 39.5 | 7,825 | (1,146) | 6,679 | 8,071 |

9) Reserves for risks and charges

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|--|--------------|--------------|-------------|
| Reserve for pensions and similar obligations | 1,579 | 1,571 | 8 |
| Income tax reserves | | | |
| current income tax reserve | 96 | 118 | (22) |
| deferred income tax reserve | 256 | 311 | (55) |
| Total income tax reserve | 352 | 429 | (77) |
| Other reserves | | | |
| Warranty reserve | 901 | 791 | 110 |
| Restructuring reserves | 431 | 482 | (51) |
| Various liabilities and risk reserves | 2,701 | 2,711 | (10) |
| Total other reserves | 4,033 | 3,984 | 49 |
| Insurance policy liabilities and accruals | 91 | 89 | 2 |
| Total reserves for risks and charges | 6,055 | 6,073 | (18) |

Reserve for pensions and similar obligations

The reserve for pensions and similar obligations amounts to € 1,579 million (€ 1,571 million at December 31, 2003) and includes amounts payable to employees and former employees according to contractual agreements or by law, determined on an actuarial basis, where applicable.

Income tax reserves

The deferred income tax reserve at December 31, 2004 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 "Receivables" and is composed as follows:

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|-----------------------------|----------------|----------------|--------------|
| Deferred income tax reserve | 256 | 311 | (55) |
| Deferred tax assets | (2,206) | (1,907) | (299) |
| Total | (1,950) | (1,596) | (354) |

The net change of € 354 million compared to December 31, 2003, is mainly due to the recording of deferred tax assets by the Fiat Group (written down in previous years as the conditions for recording them were not met), the recoverability of which became highly probable in view of the change in the prospects of future earnings. In particular, due to the settlement paid to Fiat by General Motors in February 2005, deferred tax assets of € 277 million relating to the benefit of tax loss carryforwards and temporary differences relating to Fiat S.p.A. became reasonably certain of recovery.

Overall, the deferred income tax reserve, net of deferred tax assets recorded in receivables, can be analyzed as follows:

| € in millions | 12/31/2004 | 12/31/2003 |
|--|----------------|----------------|
| Deferred tax liabilities from: | | |
| - Accelerated depreciation | 535 | 585 |
| - Deferred tax on gains | 171 | 502 |
| - Capital investment grants | 17 | 18 |
| - Other | 620 | 682 |
| Total deferred tax liabilities | 1,343 | 1,787 |
| Deferred tax assets for: | | |
| - Taxed reserves for risks and charges | (1,080) | (1,022) |
| - Inventories | (132) | (129) |
| - Taxed allowances for doubtful accounts | (140) | (89) |
| - Pension funds | (364) | (293) |
| - Other | (2,612) | (2,863) |
| Total deferred tax assets | (4,328) | (4,396) |
| Theoretical tax benefit connected to tax loss carryforwards | (4,781) | (4,431) |
| Adjustments for assets whose recoverability is not certain (mainly tax loss carryforwards) | 5,816 | 5,444 |
| Total deferred income tax reserve, net of deferred tax assets | (1,950) | (1,596) |

As disclosed in the Accounting principles, 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 (€ 4,328 million at December 31, 2004 and € 4,396 million at December 31, 2003), and tax loss carryforwards (€ 4,781 million at December 31, 2004 and € 4,431 million at December 31, 2003), have prudently been reduced for a total of € 5,816 million (€ 5,444 million at December 31, 2003).

In particular, the deferred income tax reserve net of deferred tax assets includes € 1,226 million (€ 1,322 million at December 31, 2003) of tax benefits connected to tax loss carryforwards. However, a further tax benefit connected to tax loss carryforwards of € 3,555 million (€ 3,109 million at December 31, 2003) has not been recorded in the financial statements.

Deferred taxes have not been provided by the Fiat Group on the undistributed earnings of subsidiaries since no transactions are expected to be entered into that would warrant their taxation.

In addition, deferred taxes of € 59 million (€ 72 million at December 31, 2003) 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 reasonable certainty of future recovery is not assured, no deferred tax assets have been booked by IFIL S.p.A. on the tax losses for the years 2001 to 2004 (€ 315 million, in total) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 229 million, in total).

Since reasonable certainty of future recovery is not assured, no deferred tax assets have been booked by IFI S.p.A. on the tax losses for the years 2003 and 2004 (€ 167 million, in total) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 53 million, in total).

Other reserves

Restructuring reserves

Restructuring reserves amount to € 431 million at December 31, 2004 (€ 482 million at December 31, 2003) and are related to the corporate restructuring programs of the following Sectors:

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|---|------------|------------|-------------|
| Automobiles | 216 | 160 | 56 |
| Agricultural and construction equipment | 36 | 83 | (47) |
| Commercial vehicles | 56 | 75 | (19) |
| Metallurgical products | 8 | 24 | (16) |
| Components | 59 | 64 | (5) |
| Production systems | 17 | 54 | (37) |
| Services | 6 | 8 | (2) |
| Other sectors | 10 | 3 | 7 |
| Paper sector | 23 | 11 | 12 |
| Total restructuring reserves | 431 | 482 | (51) |

Various liabilities and risk reserves

The various liabilities and risk reserves amount to € 2,701 million at December 31, 2004 (€ 2,711 million at December 31, 2003) and represent the provisions made by the individual companies mainly for contractual and commercial risks and litigation. The reduction of € 10 million from December 31, 2003 is the result of a combination of the balance between ordinary and extraordinary provisions of € 1,073 million, decreases for the effect of foreign exchange differences of € 21 million, decreases for utilizations of € 1,492 million and decreases for reversals and other minor changes of € 430 million. It also includes the release (€ 10 million) of the remaining reserve set aside by the Worms & Cie Group, which became in excess of requirements as a result of the settlement with some banks and with the British tax authorities to close a potential tax dispute over leasing contracts signed in the past by AWA Ltd.

The various liabilities and risk reserves represent provisions for contractual and commercial risks and litigation, as well as provisions made by the Worms & Cie Group in 2001 for the litigation pending in relation to the environmental risks concerning the Fox River (€ 66 million) and the fine levied by the European Commission for alleged violations of fair trade practices (€ 184 million, including interest).

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

10) Reserve for employee severance indemnities

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

Movements in the reserve account are as follows:

| € in millions | Balance at 12/31/2003 | Provisions | Use and other changes | Balance at 12/31/2004 |
|--|--------------------------|------------|--------------------------|--------------------------|
| Reserve for employee severance indemnities | 1,332 | 191 | (215) | 1,308 |

11) Payables

Payables may be analyzed by due date as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|---|---------------------|---------------------|---------------|-----------------------------|---------------------|---------------------|---------------|-----------------------------|
| | 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 | 2,068 | 7,044 | 9,112 | 3,928 | 1,034 | 8,876 | 9,910 | 3,804 |
| Convertible bonds | 0 | 13 | 13 | 0 | 1,765 | 0 | 1,765 | 0 |
| Borrowings from banks | 8,037 | 1,936 | 9,973 | 85 | 3,386 | 7,108 | 10,494 | 117 |
| Other financial payables | 1,083 | 186 | 1,269 | 37 | 1,105 | 300 | 1,405 | 152 |
| Advances (a) | 2,574 | 7,361 | 9,935 | 0 | 2,894 | 6,272 | 9,166 | 0 |
| Trade payables | 11,836 | 44 | 11,880 | 0 | 12,561 | 36 | 12,597 | 0 |
| Notes payable | 749 | 0 | 749 | 0 | 954 | 1 | 955 | 0 |
| Payables to unconsolidated subsidiaries | 49 | 0 | 49 | 0 | 69 | 0 | 69 | 0 |
| Payables to associated companies | 1,000 | 0 | 1,000 | 0 | 854 | 0 | 854 | 0 |
| Payables to parent companies | 24 | 0 | 24 | 0 | 15 | 0 | 15 | 0 |
| Taxes payable | 762 | 34 | 796 | 10 | 914 | 29 | 943 | 2 |
| Social security payable | 352 | 2 | 354 | 0 | 324 | 5 | 329 | 0 |
| Other payables | 1,386 | 42 | 1,428 | 11 | 1,474 | 31 | 1,505 | 0 |
| Total payables | 29,920 | 16,662 | 46,582 | 4,071 | 27,349 | 22,658 | 50,007 | 4,075 |

(a) Of which advance payments on contract work in progress amount to € 9,645 million at December 31, 2004 (€ 8,876 million at December 31, 2003).

Payables may be analyzed by type as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Trade | Financial | Other | Total | Trade | Financial | Other | Total |
| Bonds | 0 | 9,112 | 0 | 9,112 | 0 | 9,910 | 0 | 9,910 |
| Convertible bonds | 0 | 13 | 0 | 13 | 0 | 1,765 | 0 | 1,765 |
| Borrowings from banks | 0 | 9,973 | 0 | 9,973 | 0 | 10,494 | 0 | 10,494 |
| Other financial payables | 0 | 1,269 | 0 | 1,269 | 0 | 1,405 | 0 | 1,405 |
| Advances | 0 | 0 | 9,935 | 9,935 | 0 | 0 | 9,166 | 9,166 |
| Trade payables | 11,880 | 0 | 0 | 11,880 | 12,597 | 0 | 0 | 12,597 |
| Notes payable | 7 | 742 | 0 | 749 | 9 | 946 | 0 | 955 |
| Payables to unconsolidated subsidiaries | 17 | 31 | 1 | 49 | 22 | 47 | 0 | 69 |
| Payables to associated companies | 942 | 58 | 0 | 1,000 | 792 | 57 | 5 | 854 |
| Payables to parent companies | 0 | 24 | 0 | 24 | 0 | 15 | 0 | 15 |
| Taxes payable | 0 | 0 | 796 | 796 | 0 | 0 | 943 | 943 |
| Social security payable | 0 | 0 | 354 | 354 | 0 | 0 | 329 | 329 |
| Other payables | 0 | 0 | 1,428 | 1,428 | 0 | 0 | 1,505 | 1,505 |
| Total payables | 12,846 | 21,222 | 12,514 | 46,582 | 13,420 | 24,639 | 11,948 | 50,007 |

Payables secured by real guarantees amount to € 1,274 million (€ 1,245 million in 2003) and include € 1,272 million relating to the Fiat Group and € 2 million to the Alpitour 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 € 7,273 million at December 31, 2004 (€ 2,767 million at December 31, 2003) 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 | 6,297 | 6,760 | 64 | 2 | 0 | 13,123 |
| U.S. dollar | 160 | 807 | 785 | 0 | 0 | 1,752 |
| Japanese yen | 295 | 0 | 0 | 0 | 0 | 295 |
| Brazilian real | 22 | 7 | 783 | 19 | 118 | 949 |
| British pound | 0 | 174 | 0 | 0 | 0 | 174 |
| Canadian dollar | 134 | 0 | 0 | 0 | 0 | 134 |
| Other | 4 | 19 | 2 | 0 | 0 | 25 |
| Total 2004 medium and long-term financial debt | 6,912 | 7,767 | 1,634 | 21 | 118 | 16,452 |
| Total 2003 medium and long-term financial debt | 9,616 | 8,260 | 968 | 7 | 200 | 19,051 |

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

Payables may be analyzed by due date as follows:

| € in millions | 12/31/2004 | | | 12/31/2003 | | | | |
|---|---------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|
| | Due within | Due beyond | Total | Of which due | Due | Due | Of which due | |
| | one year | one year | | beyond 5 | within | beyond | | beyond 5 |
| | | | years | one year | one year | Total | years | |
| Bonds | 1,868 | 6,944 | 8,812 | 3,928 | 1,034 | 8,576 | 9,610 | 3,804 |
| Convertible bonds | 0 | 13 | 13 | 0 | 1,765 | 0 | 1,765 | 0 |
| Borrowings from banks | 6,949 | 1,815 | 8,764 | 74 | 2,697 | 6,687 | 9,384 | 115 |
| Other financial payables | 704 | 161 | 865 | 32 | 809 | 155 | 964 | 34 |
| Advances | 2,556 | 7,361 | 9,917 | 0 | 2,877 | 6,272 | 9,149 | 0 |
| Trade payables | 10,949 | 43 | 10,992 | 0 | 11,733 | 36 | 11,769 | 0 |
| Notes payable | 207 | 0 | 207 | 0 | 224 | 1 | 225 | 0 |
| Payables to unconsolidated subsidiaries | 49 | 0 | 49 | 0 | 68 | 0 | 68 | 0 |
| Payables to associated companies | 997 | 0 | 997 | 0 | 842 | 0 | 842 | 0 |
| Taxes payable | 714 | 29 | 743 | 10 | 833 | 28 | 861 | 2 |
| Social security payable | 308 | 2 | 310 | 0 | 283 | 4 | 287 | 0 |
| Other payables | 1,202 | 37 | 1,239 | 11 | 1,288 | 28 | 1,316 | 0 |
| Total payables | 26,503 | 16,405 | 42,908 | 4,055 | 24,453 | 21,787 | 46,240 | 3,955 |

Payables may be analyzed by type as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Trade | Financial | Other | Total | Trade | Financial | Other | Total |
| Bonds | 0 | 8,812 | 0 | 8,812 | 0 | 9,610 | 0 | 9,610 |
| Convertible bonds | 0 | 13 | 0 | 13 | 0 | 1,765 | 0 | 1,765 |
| Borrowings from banks | 0 | 8,764 | 0 | 8,764 | 0 | 9,384 | 0 | 9,384 |
| Other financial payables | 0 | 865 | 0 | 865 | 0 | 964 | 0 | 964 |
| Advances | 0 | 0 | 9,917 | 9,917 | 0 | 0 | 9,149 | 9,149 |
| Trade payables | 10,992 | 0 | 0 | 10,992 | 11,769 | 0 | 0 | 11,769 |
| Notes payable | 7 | 200 | 0 | 207 | 9 | 216 | 0 | 225 |
| Payables to unconsolidated subsidiaries | 17 | 31 | 1 | 49 | 21 | 47 | 0 | 68 |
| Payables to associated companies | 939 | 58 | 0 | 997 | 789 | 48 | 5 | 842 |
| Taxes payable | 0 | 0 | 743 | 743 | 0 | 0 | 861 | 861 |
| Social security payable | 0 | 0 | 310 | 310 | 0 | 0 | 287 | 287 |
| Other payables | 0 | 0 | 1,239 | 1,239 | 0 | 0 | 1,316 | 1,316 |
| Total payables | 11,955 | 18,743 | 12,210 | 42,908 | 12,588 | 22,034 | 11,618 | 46,240 |

As regards the Fiat Group, the reduction in payables (€ 3,332 million) compared to December 31, 2003 is principally due to the following:

- trade payables decreased by € 633 million; the reduction is principally attributable to Fiat Auto, which, during the last quarter of 2003, as a result of the launch of new car models, had increased production levels that during 2004 returned to normal levels;
- financial payables decreased by € 3,291 million mainly due to the repayment of bonds, including the bond for about € 1 billion issued by Fiat Finance and Trade, repaid at the end of March 2004, and the bond convertible into General Motors common stock for US\$ 2.2 billion, equivalent to approximately € 1.8 billion;
- other payables increased by € 592 million primarily due to the effect of the advances received from customers (mainly connected with work to complete the T.A.V. project) (see Note 4).

Financial payables total € 18,743 million at December 31, 2004 (€ 22,034 million at December 31, 2003). Financial payables due within one year amount to € 9,810 million at December 31, 2004 (€ 6,616 million at December 31, 2003) and their carrying values approximate fair value as a consequence of the short-term maturity. These payables include the loan of approximately € 1,150 million guaranteed by the EDF put option and the Mandatory Convertible Facility of € 3 billion, described later.

The portion of medium and long-term financial payables due beyond one year amounts to € 8,933 million at December 31, 2004 (€ 15,418 million at December 31, 2003). The scheduled maturities are:

| € in millions | 2006 | 2007 | 2008 | 2009 | Thereafter | Total |
|---|-------|------|------|------|------------|--------------|
| Medium and long-term financial payables due beyond one year | 3,311 | 692 | 369 | 527 | 4,034 | 8,933 |

The fair value of medium and long-term financial payables due beyond one year would be € 125 million higher than the carrying value at December 31, 2004 (at December 31, 2003, fair value would have been € 397 million lower than the carrying value). 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 include the loan 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 Italergeria Bis and the shares in the same Italergeria Bis pledged by Fiat. The loan is due in September 2005.

Financial payables secured by real guarantees of mortgages and other liens on property, plant and equipment amount to € 1,272 million at December 31, 2004 (€ 1,234 million at December 31, 2003).

At December 31, 2004, the Group has an unused "committed" line of credit available mainly denominated in US\$ for an equivalent amount of more than € 1,700 million (approximately € 2,000 million at December 31, 2003). The decrease can principally be ascribed to the effects of the translation of the credit lines in their original currencies to euros.

Bonds of the Fiat Group, including convertible bonds, amount to € 8,825 million (€ 11,375 million at December 31, 2003) and can be analyzed by year of maturity as follows:

| € in millions | 2005 | 2006 | 2007 | 2008 | 2009 | Thereafter | Total |
|--------------------|--------------|--------------|------------|------------|------------|--------------|--------------|
| EMTN | 1,421 | 2,350 | 181 | 227 | 168 | 2,600 | 6,947 |
| Convertible bonds | - | - | 13 | - | - | - | 13 |
| Other bonds | 447 | - | 93 | - | 367 | 958 | 1,865 |
| Total bonds | 1,868 | 2,350 | 287 | 227 | 535 | 3,558 | 8,825 |

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

- *Euro Medium Term Note (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 € 6,802 million), Fiat Finance North America Inc. (for an amount outstanding of € 65 million) and Fiat Finance Canada Ltd. (for an amount outstanding of € 80 million).
- *Convertible bonds*: this represents the residual debt, after repayment, in July 2004, of the 5-year bond originally convertible into General Motors Corp. common stock ("Exchangeable"), at a conversion price of US\$ 69.54 per share with 3.25% interest and maturing on January 9, 2007. With reference to this bond, during the first quarter of 2004 Fiat repurchased, for cancellation, US\$ 540 million in bonds out of total of US\$ 2,229 million. In June 2004, by virtue of the contractually envisaged right of each bondholder to request early repayment of all or part of its bonds, repayment for a total of US\$ 1,672 million (equivalent to approximately € 1.4 billion) in bonds was requested by the deadline provided by the contract. A residual debt of US\$ 17 million (equivalent to € 13 million) remains at this date. 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, terminated in 2004 and replaced by the purchase of a call option on General Motors stock, as described in Note 13.
- *Other bonds*:
 - . 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 € 287 million;
 - . bonds issued by Case New Holland Inc. ("CNH Inc.") in 2004 (with coupon interest at 9.25% and maturing August 1, 2011 for an amount of US\$ 1,050 million, equivalent to € 771 million) and in 2005 (with coupon interest at 6.00% and maturing June 1, 2009 for an amount of US\$ 500 million, equivalent to € 367 million); the bond indenture contains a series of financial covenants that are common to the high yield American bond market;
 - . bonds issued by CNH America LLC and CNH Capital America for a total amount outstanding of US\$ 599 million, equivalent to € 440 million.

The prospectuses, the offering circulars or their abstracts relating to the aforementioned principal bond issues 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 Group contain commitments ("covenants") 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 € 771 million) and with coupon interest at 6.00% and maturing on June 1, 2009 (for an amount of US\$ 500 million, equivalent to € 367 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 buyback 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.

The major bond issues of the Fiat Group outstanding at December 31, 2004 are the following:

| | Currency | Face value of outstanding bonds (in millions) | Coupon | Maturity | Outstanding amount in millions of euros |
|-------------------------------------|----------|--|---------|---------------|---|
| Euro Medium Term Notes | | | | | |
| Fiat Fin. North America | EUR | 100 | 5.13% | Feb. 21, 2005 | 65 |
| 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 | 6.13% | Aug. 1, 2005 | 500 |
| Fiat Finance & Trade | EUR | 300 | 6.13% | Aug. 1, 2005 | 300 |
| Fiat Finance & Trade | GBP | 120 | 7.00% | Oct. 19, 2005 | 170 |
| Fiat Finance & Trade (a) | EUR | 1,700 | 5.75% | May 25, 2006 | 1,700 |
| Fiat Finance Canada | EUR | 100 | 5.80% | July 21, 2006 | 80 |
| Fiat Finance & Trade (a) | EUR | 500 | 5.50% | Dec. 13, 2006 | 500 |
| Fiat Finance & Trade (a) | EUR | 1,000 | 6.25% | Feb. 24, 2010 | 1,000 |
| Fiat Finance & Trade (a) | EUR | 1,300 | 6.75% | May 25, 2011 | 1,300 |
| Fiat Finance & Trade (a) | EUR | 617 | (b) | (b) | 617 |
| Others (c) | | | | | 430 |
| Total Euro Medium Term Notes | | | | | 6,947 |
| Convertible bonds | | | | | |
| Fiat Fin. Luxembourg (d) | USD | 17 | 3.25% | Jan. 9, 2007 | 13 |
| Convertible bonds | | | | | 13 |
| Other bonds | | | | | |
| Fiat Finance & Trade | JPY | 40,000 | 1.50% | June 27, 2005 | 287 |
| CNH America LLC | USD | 218 | 7.25% | Aug 1, 2005 | 160 |
| CNH Capital america LLC | USD | 127 | 6.75% | Oct. 21, 2007 | 93 |
| Case New Holland Inc. | USD | 1,050 | 9.25% | Aug. 1, 2011 | 771 |
| Case New Holland Inc. | USD | 500 | 6.00% | June 1, 2009 | 367 |
| CNH America LLC | USD | 254 | 7.25% | Jan. 15, 2016 | 187 |
| Total other bonds | | | | | 1,865 |
| Total bonds | | | | | 8,825 |

(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 2004 totals approximately € 5.3 billion. The Fiat Group also has available unused committed credit lines for more than € 1.7 billion.

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

Mandatory Convertible facility

Medium and long-term financial payables also include the € 3 billion Mandatory Convertible facility stipulated in execution of the Framework Agreement, dated May 27, 2002, with Capitalia, Banca Intesa, 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 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 Mandatory Convertible facility expires on September 20, 2005 and is repayable with a new issue of 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 of July 2003) 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. 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.

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 art. 2448 now art. 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 takeover bid in accordance with Articles 106 and 107 of the Consolidated Law on Financial Intermediation.

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 payables" used by the Group and detailed in the Fiat Group 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 approves the 2002 annual financial statements and the maintenance of that level at March 31, June 30, September 30 and December 31 of each year 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 Italergeria Bis S.p.A., including those connected with the Citigroup loan of approximately € 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 Financial 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 at March 31, June 30, September 30 and December 31 of each year until the expiration of the facility.

At December 31, 2004, gross indebtedness totals € 19.2 billion and continues to be within the targets agreed upon with the Lending Banks under the Mandatory Convertible Facility Agreement (€ 23.6 billion), while the proforma net financial position (calculated, as envisaged in the facility agreement, by subtracting from the net financial position the Citigroup loan of approximately € 1,150 million but not the receipt of € 1,550 million as a result of the agreements reached with General Motors on February 13, 2005) exceeds the limit of € 3.6 billion contractually agreed for this parameter. The Lending Banks therefore have the right, in accordance with the contractual terms and conditions, to proceed with the conversion of the facility into capital for an amount up to € 2 billion.

At December 31, 2004, 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 Group represented in the table refer to the "non-investment grade" category. The Banks did not exercise their consequent right to demand early repayment of the facility and to proceed with the conversion of the debt into capital for an amount up to € 2 billion.

Worms & Cie Group

Payables may be analyzed by due date as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|--------------------------|---------------------|---------------------|--------------|-----------------------------|---------------------|---------------------|--------------|-----------------------------|
| | 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 |
| Borrowings from banks | 439 | 15 | 454 | 0 | 277 | 6 | 283 | 1 |
| Other financial payables | 375 | 13 | 388 | 5 | 283 | 129 | 412 | 118 |
| Advances | 12 | 0 | 12 | 0 | 13 | 0 | 13 | 0 |
| Trade payables | 732 | 1 | 733 | 0 | 707 | 0 | 707 | 0 |
| Notes payable | 542 | 0 | 542 | 0 | 730 | 0 | 730 | 0 |
| Taxes payable | 39 | 5 | 44 | 0 | 69 | 0 | 69 | 0 |
| Social security payable | 39 | 0 | 39 | 0 | 38 | 0 | 38 | 0 |
| Other payables | 168 | 5 | 173 | 0 | 166 | 3 | 169 | 0 |
| Total payables | 2,346 | 39 | 2,385 | 5 | 2,283 | 138 | 2,421 | 119 |

Payables may be analyzed by type as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|--------------------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| | Trade | Financial | Other | Total | Trade | Financial | Other | Total |
| Borrowings from banks | 0 | 454 | 0 | 454 | 0 | 283 | 0 | 283 |
| Other financial payables | 0 | 388 | 0 | 388 | 0 | 412 | 0 | 412 |
| Advances | 0 | 0 | 12 | 12 | 0 | 0 | 13 | 13 |
| Trade payables | 733 | 0 | 0 | 733 | 707 | 0 | 0 | 707 |
| Notes payable | 0 | 542 | 0 | 542 | 0 | 730 | 0 | 730 |
| Taxes payable | 0 | 0 | 44 | 44 | 0 | 0 | 69 | 69 |
| Social security payable | 0 | 0 | 39 | 39 | 0 | 0 | 38 | 38 |
| Other payables | 0 | 0 | 173 | 173 | 0 | 0 | 169 | 169 |
| Total payables | 733 | 1,384 | 268 | 2,385 | 707 | 1,425 | 289 | 2,421 |

Worms & Cie has a program for the issue of 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 bills maturing at the end of the year total approximately € 540 million.

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.

Alpitour Group

Payables may be analyzed by due date as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|---|---------------------|---------------------|------------|-----------------------------|---------------------|---------------------|------------|-----------------------------|
| | 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 |
| Borrowings from banks | 122 | 76 | 198 | 11 | 129 | 52 | 181 | 1 |
| Other financial payables | 4 | 12 | 16 | 0 | 13 | 16 | 29 | 0 |
| Advances | 6 | 0 | 6 | 0 | 4 | 0 | 4 | 0 |
| Trade payables | 155 | 0 | 155 | 0 | 119 | 0 | 119 | 0 |
| Payables to unconsolidated subsidiaries | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 |
| Payables to associated companies | 3 | 0 | 3 | 0 | 12 | 0 | 12 | 0 |
| Taxes payable | 7 | 0 | 7 | 0 | 11 | 1 | 12 | 0 |
| Social security payable | 3 | 0 | 3 | 0 | 2 | 0 | 2 | 0 |
| Other payables | 13 | 0 | 13 | 0 | 12 | 0 | 12 | 0 |
| Total payables | 313 | 88 | 401 | 11 | 303 | 69 | 372 | 1 |

Payables may be analyzed by type as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|---|------------|------------|-----------|------------|------------|------------|-----------|------------|
| | Trade | Financial | Other | Total | Trade | Financial | Other | Total |
| Borrowings from banks | 0 | 198 | 0 | 198 | 0 | 181 | 0 | 181 |
| Other financial payables | 0 | 16 | 0 | 16 | 0 | 29 | 0 | 29 |
| Advances | 0 | 0 | 6 | 6 | 0 | 0 | 4 | 4 |
| Trade payables | 155 | 0 | 0 | 155 | 119 | 0 | 0 | 119 |
| Notes payable | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Payables to unconsolidated subsidiaries | 3 | 0 | 0 | 3 | 3 | 9 | 0 | 12 |
| Taxes payable | 0 | 0 | 7 | 7 | 0 | 0 | 12 | 12 |
| Social security payable | 0 | 0 | 3 | 3 | 0 | 0 | 2 | 2 |
| Other payables | 0 | 0 | 13 | 13 | 0 | 0 | 12 | 12 |
| Total payables | 158 | 214 | 29 | 401 | 123 | 219 | 30 | 372 |

Financial payables of the Alpitour Group include short-term credit lines for € 100 million at annual average interest rates ranging between 3.05% and 4.6%, medium and long-term loans for a total of € 97 million received from highly rated credit institutions at floating rates based on the Euribor and Libor and bank overdrafts for € 1 million at market rates.

Financial payables also include loans received from the financial companies Andres S.a.r.l. and Tecknema S.a.r.l. for a total of € 16 million (of which € 13 million is due in September 2006, based on floating rates indexed to the Euribor).

IFI and IFIL Holdings System

Payables may be analyzed by due date as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|------------------------------|---------------------|---------------------|------------|-----------------------------|---------------------|---------------------|------------|-----------------------------|
| | 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 | 200 | 100 | 300 | 0 | 0 | 300 | 300 | 0 |
| Borrowings from banks | 527 | 30 | 557 | 0 | 283 | 363 | 646 | 0 |
| Trade payables | 0 | 0 | 0 | 0 | 2 | 0 | 2 | 0 |
| Payables to parent companies | 24 | 0 | 24 | 0 | 15 | 0 | 15 | 0 |
| Taxes payable | 2 | 0 | 2 | 0 | 1 | 0 | 1 | 0 |
| Social security payable | 2 | 0 | 2 | 0 | 1 | 1 | 2 | 0 |
| Other payables | 3 | 0 | 3 | 0 | 8 | 0 | 8 | 0 |
| Total payables | 758 | 130 | 888 | 0 | 310 | 664 | 974 | 0 |

Payables may be analyzed by type as follows:

| € in millions | 12/31/2004 | | | | 12/31/2003 | | | |
|------------------------------|------------|------------|----------|------------|------------|------------|-----------|------------|
| | Trade | Financial | Other | Total | Trade | Financial | Other | Total |
| Bonds | 0 | 300 | 0 | 300 | 0 | 300 | 0 | 300 |
| Borrowings from banks | 0 | 557 | 0 | 557 | 0 | 646 | 0 | 646 |
| Trade payables | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 2 |
| Payables to parent companies | 0 | 24 | 0 | 24 | 0 | 15 | 0 | 15 |
| Taxes payable | 0 | 0 | 2 | 2 | 0 | 0 | 1 | 1 |
| Social security payable | 0 | 0 | 2 | 2 | 0 | 0 | 2 | 2 |
| Other payables | 0 | 0 | 3 | 3 | 0 | 0 | 8 | 8 |
| Total payables | 0 | 881 | 7 | 888 | 2 | 961 | 11 | 974 |

IFIL S.p.A. financial payables include:

- bonds 2002/2005, issued for € 200 million following the resolution passed by the Board of Directors' Meeting on November 14, 2002, 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 20, 2005. Interest rate swaps and zero cost collars were put into place for € 145 million to fix the interest rate on part of the bonds;
- 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. Interest rate swaps were put into place to fix the interest rate on the full amount of the bonds.
- 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;
- other short-term payables for € 169 million.

At December 31, 2004, IFIL has irrevocable credit facilities for € 830 million, including € 370 million due beyond one year.

IFI S.p.A. financial payables include:

- borrowings from banks due within one year amounting to € 208 million (€ 66 million at December 31, 2003), including loans of € 140 million due in the first half of 2005 on which interest rate swaps and zero cost collars were put into place to fix the interest rate;
- borrowings from banks due beyond one year of € 30 million, including loans of € 20 million on which interest rate swaps were put into place to fix the interest rate; such payables are classified as due beyond one year since the residual period of the loan and the hedging contract extend beyond one year;
- the loan granted by the parent company Giovanni Agnelli e C. S.p.A. of € 24 million (€ 15 million at December 31, 2003), bearing interest at a monthly floating market rate.

At December 31, 2004, IFI has irrevocable credit facilities for € 495 million, including € 350 million due beyond one year.

12) Accrued expenses and deferred income

Details are as follows:

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|--|--------------|--------------|--------------|
| Commercial accrued expenses: | | | |
| - interest and commissions | 63 | 71 | (8) |
| - other | 473 | 528 | (55) |
| Total commercial accrued expenses | 536 | 599 | (63) |
| Commercial deferred income: | | | |
| - interest | 77 | 64 | 13 |
| - other | 602 | 711 | (109) |
| Total commercial deferred income | 679 | 775 | (96) |
| Total commercial accrued expenses and deferred income | 1,215 | 1,374 | (159) |
| Financial accrued expenses | 530 | 598 | (68) |
| Financial deferred income | 221 | 364 | (143) |
| Total accrued expenses and deferred income | 1,966 | 2,336 | (370) |

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.

13) Guarantees granted, commitments and other memorandum accounts

Guarantees granted

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|---------------------------------|--------------|--------------|--------------|
| Fiat Group | 5,520 | 6,430 | (910) |
| Worms & Cie Group | 248 | 86 | 162 |
| Alpitour Group | 74 | 73 | 1 |
| IFI S.p.A. | 4 | 32 | (28) |
| Total guarantees granted | 5,846 | 6,621 | (775) |

Fiat Group

Guarantees granted are detailed as follows:

- suretyships total € 2,719 million (€ 3,060 million at December 31, 2003). The reduction of € 341 million is principally due to the deconsolidation of Fiat Engineering and lower guarantees granted on behalf of Sava S.p.A. for the bonds it has issued and are now falling due;
- other unsecured guarantees of € 2,534 million (€ 3,075 million at December 31, 2003) include risks for receivables and bills discounted with recourse in the amount of € 1,696 million (€ 2,203 million at December 31, 2003). The receivables and bills discounted with recourse refer to trade receivables and other receivables for € 1,613 million (€ 2,144 million at December 31, 2003) and financial receivables for € 83 million (€ 59 million at December 31, 2003). The volume of receivables discounted with recourse in 2004 was € 13,178 million (€ 15,341 million in 2003);
- guarantees of notes for € 217 million (€ 259 million at December 31, 2003) and other secured guarantees for € 50 million (€ 36 million at December 31, 2003).

Although not included in the memorandum accounts, receivables and bills discounted by the Group without recourse having due dates beyond December 31, 2004 amount to € 9,809 million (in 2003, € 9,852 million with due dates beyond December 31, 2003). Receivables and bills discounted without recourse refer to trade receivables and other receivables for € 4,689 million (€ 4,638 million at December 31, 2003) and financial receivables for € 5,120 million (€ 5,214 million at December 31, 2003). 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 2004 was € 27,540 million (€ 33,298 million in 2003).

In summary, the discounted receivables and bills at December 31, 2004 are as follows:

| € in millions | 12/31/2004 | | | 12/31/2003 | | |
|------------------|---|-----------------------|-------|---|-----------------------|-------|
| | Trade receivables and other receivables | Financial receivables | Total | Trade receivables and other receivables | Financial receivables | Total |
| With recourse | 1,613 | 83 | 1,696 | 2,144 | 59 | 2,203 |
| Without recourse | 4,689 | 5,120 | 9,809 | 4,638 | 5,214 | 9,852 |

Worms & Cie Group

Guarantees granted by the Worms & Cie Group amount to € 248 million (€ 86 million at December 31, 2003) and mainly include sureties issued to third parties.

Alpitour Group

Guarantees granted by the Alpitour Group amount to € 74 million (€ 73 million at December 31, 2003). These include guarantees provided in favor of leading credit institutions for long-term loans received during the year for € 34 million, sureties on behalf of tourist bodies, financial offices and public entities for € 38 million and mortgages carried on the buildings of the Group to secure loans recorded in the financial statements for € 2 million.

IFI S.p.A.

Guarantees granted at December 31, 2004, amount to € 4 million (€ 32 million at December 31, 2003) and refer to suretyships granted in the past by IFI in favor of F.I.G.C. – L.N.P., Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti, on behalf of Juventus Football Club.

The reduction of € 28 million from December 31, 2003 is due to sureties that expired (€ 24 million) or were reduced (€ 4 million) during the year.

The sureties, remunerated at market rates, expire in 2005.

Commitments

Commitments total € 36,759 million (€ 33,527 million at December 31, 2003) and include commitments related to derivative financial instruments of € 23,246 million (€ 22,507 million at December 31, 2003), other commitments of € 13,098 million (€ 10,690 million at December 31, 2003), and commitments to purchase property, plant and equipment for € 415 million (€ 330 million at December 31, 2003).

Commitments related to derivative financial instruments

| € in millions | Fiat Group | Worms & Cie Group | Alpitour Group | IFI and IFIL | Total |
|--|---------------|-------------------|----------------|--------------|---------------|
| Contracts to hedge foreign exchange risks | 5,350 | | 52 | | 5,402 |
| Contracts to hedge interest rate exposure | 13,880 | 857 | | 555 | 15,292 |
| Contracts for combined hedging of foreign exchange and interest rate risks | 783 | 463 | | | 1,246 |
| Call options on General Motors common stock | 1,240 | | | | 1,240 |
| Equity swaps | 66 | | | | 66 |
| Total 2004 | 21,319 | 1,320 | 52 | 555 | 23,246 |
| Total 2003 | 20,798 | 1,219 | 25 | 465 | 22,507 |

Fiat Group

The Fiat Group maintains that these transactions 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 52% of the contracts outstanding at December 31, 2004 will expire during 2005 and the remainder in the period 2006-2022, of which 14% will expire after 2009. The consolidated statement of operations includes the effects both of the contracts that expired in 2004 and the provisions for the contracts outstanding at year-end, as stated in the Accounting principles.

Hedging activities using derivative financial instruments have not undergone significant changes during the year, either in types of instruments or amounts outstanding.

The Group's financial policy attaches particular importance to the management and control of financial risks that can significantly impact profits. The 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 2004, 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 2004, 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 | 12/31/2004 | | | 12/31/2003 | | |
|---|----------------|------------|------------|----------------|------------|------------|
| | Carrying value | Fair value | Difference | Carrying value | Fair value | Difference |
| Foreign exchange risk management instruments | 20 | 97 | 77 | (3) | 59 | 62 |
| Interest rate risk management instruments | 132 | 441 | 309 | 138 | 319 | 181 |
| Foreign exchange risk and interest rate risk management instruments | 187 | 192 | 5 | 174 | 176 | 2 |
| Equity swaps and equity options | (4) | (4) | 0 | (1) | 439 | 440 |
| Total | 335 | 726 | 391 | 308 | 993 | 685 |

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

The increase in the fair value of the transactions for the management of interest rate risk is essentially related to the reduction in euro interest rates for medium term maturities.

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 principles, 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, 2004, the integral adoption of IAS 39, with reference to the aforementioned derivative financial instruments, would have had an effect on the balance sheet, on the one hand, for the adjustment of derivative financial instruments to arrive at fair value with a positive effect of € 391 million (a positive effect of € 685 million at December 31, 2003), 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 € 329 million (€ 262 million at December 31, 2003) and, for the part relating to the hedging of future flows, a higher accumulated value of reserves in stockholders' equity of € 41 million (a lower accumulated value of € 22 million at December 31, 2003), net of the amount set aside for deferred income taxes. The integral adoption of IAS 39, always with reference to the aforementioned derivative financial instruments, would have led to negative effects on the net result for the year of approximately € 286 million, net of tax charges (positive effects of € 272 million at December 31, 2003). This economic impact would basically have been the result of the provision, at December 31, 2003, of the positive fair value of the equity swap on General Motors shares.

With particular regard to the previously mentioned equity swap arrangements, the amount at December 31, 2004 of € 66 million represents the notional amount of the equity swap stipulated to hedge the risk of an increase in the Fiat share price above the exercise price of 10,000,000 stock options granted to Mr. Marchionne. In particular, the Board of Directors resolved to grant Mr. Marchionne, as variable portion of his compensation as Chief Executive Officer, options for the purchase of 10,670,000 Fiat ordinary shares at the price of € 6.583 per share, exercisable from June 1, 2008 to January 1, 2011. In each of the first three years, he accrues the right to purchase, from June 1, 2008, a maximum of 2,370,000 shares per year and on June 1, 2008 he accrues the right to purchase, effective that date, the residual portion amounting to 3,560,000 shares. The right to exercise the options related to this last portion of shares is subject to certain predetermined profitability targets that should be reached during the reference period. The risk of a significant increase in the Fiat share price above the exercise price of these options has been covered, with reference to 670,000 shares, by treasury stock in portfolio (see Note 6), 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 € 6.583 per share and expiring on July 29, 2005. In accordance with accounting principles, the aforementioned equity swap, 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 as a cost under financial expenses. At December 31, 2004, the equity swap has a negative fair value of € 7 million that has therefore been recorded in the financial statements.

At December 31, 2003, the equity swaps caption included:

- for € 62 million, the notional amount of the equity swap stipulated to hedge the risk of an increase in the Fiat share price above the exercise price of 10,000,000 stock options granted to Mr. Morchio. Near the contract expiration date (August 2004), the equity swap was replaced by the aforementioned contract in respect of the stock options granted to Mr. Marchionne. The replacement gave rise to income of € 5 million. Moreover, during 2004, the aforementioned stock options expired upon the resignation of Mr. Morchio;
- for € 916 million, the notional amount of the equity swap stipulated in 2002 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). During the first half of 2004, this equity swap was terminated in advance and replaced, in order to hedge the risk implicit in the Exchangeable bonds, by the purchase of call options on General Motors common stock. The transaction gave rise to net financial income of approximately of € 300 million. Following the repayment of almost all the bonds (see Note 11), these options, although purchased for hedging purposes, are classified as trading transactions and valued at the lower of cost and market (€ 3 million at December 31, 2004).

Worms & Cie Group

Commitments related to derivative financial instruments of the Worms & Cie Group mainly include agreements to hedge exchange and interest rate risks maturing between 2005 and 2007.

Alpitour Group

Commitments related to derivative financial instruments of the Alpitour Group include contracts stipulated by Alpitour to hedge interest rate risks on medium/long-term loan contracts.

IFI and IFIL S.p.A.

Commitments related to derivative financial instruments by IFI (€ 160 million) refer to transactions hedging interest rate risk on bank debt maturing in 2005 and 2007 put into place with leading banking institutions.

Commitments related to derivative financial instruments by IFIL (€ 395 million) include interest rate swaps stipulated on loans of € 150 million maturing October 2005, zero cost collars and interest rate swaps on a part of the IFIL bonds 2002-2005 for € 145 million and interest rate swaps on the full amount of the IFIL bonds 2003/2006 for € 100 million.

Derivative financial instruments are used by IFI and IFIL exclusively to hedge the risk of interest rate fluctuations.

Other commitments

| € in millions | 12/31/2004 | 12/31/2003 | Change |
|--------------------------------|---------------|---------------|--------------|
| Fiat Group | 12,813 | 10,350 | 2,463 |
| Worms & Cie Group | 180 | 134 | 46 |
| Alpitour Group | 76 | 37 | 39 |
| IFI and IFIL Holdings System | 29 | 169 | (140) |
| Total other commitments | 13,098 | 10,690 | 2,408 |

Fiat Group

Other commitments include commitments for the execution of works in the amount of € 10,261 million (€ 8,011 million at December 31, 2003) under the contracts between Fiat S.p.A., as General Contractor, and Treviso Alta Velocità T.A.V. S.p.A. for the design and construction of high-speed railway lines between Bologna - Florence and Turin - Milan. The increase of € 2,250 million compared to December 31, 2003 relates to the agreements reached during 2004 regarding the Florence-Bologna section for € 187 million; agreements for the subsection Turin-Novara for € 83 million; agreements for the section Novara-Milan for € 1,976 million and monetary adjustments for € 4 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 € 1,972 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 € 1,279 million, respectively. Consequently, the guarantees granted are substantially covered by the guarantees received.

Other commitments and important contractual rights

Relations with General Motors

On February 13, 2005, Fiat and General Motors signed a "Termination Agreement" to dissolve the Master Agreement and the joint ventures between the two groups. The agreement calls for the payment by General Motors to Fiat of € 1.55 billion (of which € 1 billion was already paid on February 14, 2005) to dissolve the Master Agreement, including the cancellation of the put option and the unwinding of the joint ventures. This sum will allow Fiat to recover the value of Fiat's investments in the Fiat-GM Powertrain and GM-Fiat Purchasing joint ventures recorded in the financial statements, the value of 50% of the Bielsko Biala (Poland) plant, which it will continue to manage, and the value of the JTD engine technology, which will be co-owned with General Motors. The sum will also entail recognition by Fiat of more than € 1 billion of compensation to dissolve the alliance and cancel the Put on Fiat Auto shares.

Ferrari

A summary is presented below of the rights arising from the purchase in 2002 of 34% of the capital stock of Ferrari S.p.A. 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 had realized a gain of € 671 million on this sale, net of selling expenses.

The sale 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 automotive industry as long as the Fiat Group maintains a 51% controlling interest in Ferrari. Barring certain specific assumptions, the Fiat Group cannot 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 variable percentage brackets, in any gain realized by Mediobanca and the other members of the consortium in the event of an IPO.

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 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 capital stock of Teksid, the initial investment price increased *pro rata temporis*;
- for the remaining amount of capital stock of Teksid, the share of the accounting net equity at the exercise date.

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

Other commitments amount to € 180 million (€ 134 million at December 31, 2003) and principally include lease obligations for € 162 million and commitments for the purchase of financial fixed assets for € 18 million.

Alpitour Group

Other commitments amount to € 76 million (€ 37 million at December 31, 2003) and include financial lease obligations for the aircraft of the subsidiary Neos (€ 28 million) and sales commitments for travel bookings made by the tour operators of the Group for € 48 million (€ 37 million in 2003).

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 offered 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 offered 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 plan.

IFI and IFIL Holdings System

Other commitments of IFI S.p.A. include the remaining payments (€ 2 million) under the commitment with Ticom Capital Partners and the residual commitment for the subscription of Emittenti Titoli's capital stock increase (€ 0.1 million).

Other commitments of IFIL S.p.A. amount to € 27 million (€ 165 million at December 31, 2003) and refer to the commitment with Sviluppo Italia S.p.A. (SIT) for the purchase of 49% of the capital stock of Sviluppo Italia Turismo under the agreement signed in December between Banca Intesa S.p.A., the IFIL Group and Marcegaglia S.p.A.. The entry of the three private stockholders in the shareholder base of SIT will take place through the company Turismo&Immobiliare (in which the three own equal stakes) which will purchase shares and subscribe to a SIT capital stock increase for a total outlay of € 76.4 million; Ifil Investissements' share will be equal to a maximum of about € 26 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\$ 2.66 million, corresponding to approximately € 2 million.

The reduction in the commitments of the IFIL Holdings System compared to December 31, 2003 is due to the purchase of 9.53% of Eurofind capital stock from Mediobanca for € 116 million and the purchase of 10% of NHT - New Holding for Tourism capital stock from TUI for € 46 million. Both transactions were effected in January 2004.

Pending litigation

IFIL S.p.A.

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

The case is currently in the preliminary investigation stage. At the last hearing held on December 14, 2004, IFIL was questioned. The Judge then stayed the hearing until April 13, 2005 for further investigation measures (particularly in reference to a possible technical consultant appointed by the court), giving the parties time for briefs until March 31, 2005.

Both of the above requests by K Capital (request to declare the stockholders' resolution null and void and the request to seek a sum of compensation for damages) appear to be inadmissible and groundless and therefore at this time the Company does not believe that any contingent liabilities 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 lawsuits and controversies. Nevertheless, it is believed that the resolution of these controversies will not cause significant liabilities for which specific risk reserves have not already been set aside.

Worms & Cie Group

Fox River

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

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

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

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

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

AWA Ltd retained the benefit of these insurance contracts, even after the sale of Appleton Papers Inc., in 2001.

Reviews are currently being conducted with the insurance companies to establish the portion of the costs that will be taken up by them, both for the research and the defense costs already incurred and the decontamination costs of the Fox River to be sustained in the future.

Negotiations with the insurance companies continue: no accruals have been made in the 2004 financial statements for the compensation to be received, despite the fact that one of the insurance companies has made a first payment of US\$ 2 million in December 2004.

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 evolution of the events described above have not caused any significant change in the evaluation of the risk. On the other hand, the possibility of being able to lay claim against the insurance companies for the reimbursement of the indemnities, will make it possible to offset the eventuality of a variation in the costs as compared to the initial assumptions. Consequently, the amount of the provision has not been adjusted at December 31, 2004. The reserve is equal to US\$ 89 million (about € 65 million), net of the research and defense costs already spent.

European Commission

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

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

The proceedings before the Court of the European Community in the first instance are still pending. Accordingly, at December 31, 2004, the provision has been calculated on the basis of the maximum potential risk.

Juventus Football Club

As regards the investigation by the judiciary against the Chief Executive Officer and the company physician concerning the alleged improper use of medicines by Juventus Football Club S.p.A. players, on November 26, 2004 the Court acquitted the Chief Executive Officer Antonio Giraudo of all charges and sentenced company physician Riccardo Agricola to one year and ten months' imprisonment, with the right to early release on the dual grounds provided by law.

The motivations for the sentence were filed on February 24, 2005. An appeal is currently being prepared on behalf of Riccardo Agricola and will be presented by the deadline date of April 11, 2005 and once filed will set in motion the second degree stage of the court process.

Group assets held by third parties

Group assets held by third parties, basically in reference to the Fiat Group, amount to € 3,313 million (€ 4,706 million at December 31, 2003), a decrease of € 1,393 million compared to December 31, 2003.

Fiat Group assets held by third parties at December 31, 2004 include securities deposited with banks and other financial institutions totaling € 156 million (€ 1,042 million at December 31, 2003). The reduction of € 886 million of the amount of securities deposited with banks is mainly due to their redemption at maturity by the issuers. This item also includes tangible fixed assets, products and goods of some Automotive Sectors held by outside suppliers for processing totaling € 3,062 million (€ 3,454 million at December 31, 2003).

COMMENTS ON THE PRINCIPAL COMPONENTS OF THE CONSOLIDATED STATEMENT OF OPERATIONS

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

In 2004, revenues from sales and services and change in contract work in progress amount to € 52,093 million, compared to € 52,434 million in 2003, with a decrease of 0.7%. They include revenues from sales and services of € 51,878 million (€ 53,509 million in 2003) and the positive change in contract work in progress of € 215 million (negative change of € 1,075 million in 2003).

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 | 2004 | 2003 | Change | |
|--|---------------|---------------|--------------|---------------|
| | | | amount | % |
| Net revenues by operating sector | | | | |
| Fiat Group | | | | |
| - Automobiles | 20,356 | 19,839 | 517 | 2.6 |
| - Agricultural and construction equipment | 9,791 | 9,410 | 381 | 4.0 |
| - Commercial vehicles | 8,960 | 8,206 | 754 | 9.2 |
| - Ferrari and Maserati | 1,502 | 1,250 | 252 | 20.2 |
| - Components | 2,586 | 2,087 | 499 | 23.9 |
| - Production systems | 1,285 | 1,756 | (471) | (26.8) |
| - Metallurgical products | 798 | 735 | 63 | 8.6 |
| - Aviation (a) | 0 | 625 | (625) | n.s. |
| - Insurance (b) | 0 | 1,654 | (1,654) | n.s. |
| - Services | 802 | 1,019 | (217) | (21.3) |
| - Publishing and communications | 398 | 372 | 26 | 7.0 |
| - Other companies | 225 | 318 | (93) | (29.2) |
| Total Fiat Group | 46,703 | 47,271 | (568) | (1.2) |
| Worms & Cie Group - mainly paper manufacturing and distribution | 4,280 | 4,214 | 66 | 1.6 |
| Alpitour Group - Tourism | 1,108 | 946 | 162 | 17.1 |
| IFI, IFIL Holdings System and intragroup eliminations | 2 | 3 | (1) | (33.3) |
| Total net revenues of the Group | 52,093 | 52,434 | (341) | (0.7) |

(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 | 2004 | 2003 | Change |
|--|---------------|---------------|--------------|
| Net revenues by destination - Fiat Group | | | |
| Europe (excluding Italy) | 18,180 | 18,884 | (704) |
| Italy | 15,618 | 16,381 | (763) |
| North America | 5,857 | 5,920 | (63) |
| Other areas | 3,852 | 3,491 | 361 |
| Mercosur | 3,196 | 2,595 | 601 |
| Total | 46,703 | 47,271 | (568) |
| Net revenues by destination - Worms & Cie Group | | | |
| Europe (excluding Italy) | 2,888 | 2,621 | 267 |
| Other areas | 724 | 912 | (188) |
| North America | 383 | 396 | (13) |
| Italy | 285 | 285 | 0 |
| Total | 4,280 | 4,214 | 66 |
| Net revenues by destination - Alpitour Group | | | |
| Italy | 1,002 | 840 | 162 |
| Europe (excluding Italy) | 90 | 72 | 18 |
| Other areas | 16 | 34 | (18) |
| Total | 1,108 | 946 | 162 |
| IFI, IFIL Holdings System and intragroup eliminations | 2 | 3 | (1) |
| Total net revenues of the Group | 52,093 | 52,434 | (341) |

Other income and revenues

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

| € in millions | 2004 | 2003 | Change |
|--|--------------|--------------|--------------|
| Fiat Group | | | |
| Revenue grants | 54 | 52 | 2 |
| Capital gains | 87 | 187 | (100) |
| Prior period income | 345 | 423 | (78) |
| Investment grants | 61 | 78 | (17) |
| Other income | 969 | 949 | 20 |
| Total Fiat Group | 1,516 | 1,689 | (173) |
| Worms & Cie Group | | | |
| Revenue grants | 1 | 1 | 0 |
| Other income | 72 | 37 | 35 |
| Total Worms & Cie Group | 73 | 38 | 35 |
| Alpitour Group | | | |
| Capital gains | 3 | 0 | 3 |
| Prior period income | 3 | 1 | 2 |
| Other income | 7 | 8 | (1) |
| Total Alpitour Group | 13 | 9 | 4 |
| IFIL Holdings System | 4 | 1 | 3 |
| Total other income and revenues | 1,606 | 1,737 | (131) |

15) Costs of production

| € in millions | 2004 | 2003 | Change |
|----------------------------------|---------------|---------------|----------------|
| Fiat Group | 48,804 | 50,858 | (2,054) |
| Worms & Cie Group | 4,306 | 4,125 | 181 |
| Alpitour Group | 1,102 | 937 | 165 |
| IFI and IFIL Holdings System | 66 | 28 | 38 |
| Total costs of production | 54,278 | 55,948 | (1,670) |

As regards the Fiat Group:

- costs of production show a decrease of 4% compared to 2003. On a comparable consolidation basis, there would be an increase of 1.1%;
- raw materials, supplies and merchandise amount to € 28,951 million in 2004, an increase of 2% compared to 2003. Raw materials, supplies and merchandise as a percentage of revenues, on a comparable consolidation basis, would be 62% (63% in 2003);
- services amount to € 7,984 million in 2004, a decrease of 6.1% compared to 2003. This amount is equal to 17.1% of revenues (18% in 2003). On a comparable consolidation basis, the percentage of services expenses to revenues would be 17.1% (18.4% in 2003). Services include advertising costs, external information technology and telecommunication service costs, external maintenance costs and transportation costs.

The costs of production of the IFIL Holdings Systems include the extraordinary amortization of the residual difference on consolidation relating to the Alpitour Group (€ 37 million).

The difference on consolidation which originated in 2004 on the purchase of 10% of the capital stock of NHT (parent company of the Alpitour Group) was amortized at the end of the first quarter of 2004 for € 24 million since it could not be allocated. At the end of 2004, taking into account that on consolidation IFIL Group had in the past deducted the difference on consolidation on 90% of the investment in the Alpitour Group from the consolidation reserve, a charge was then made to completely amortize the remaining amount of € 13 million.

Personnel

Personnel costs consist of the following:

| € in millions | 2004 | 2003 | Change |
|---|--------------|--------------|--------------|
| Salaries and wages | 5,111 | 5,341 | (230) |
| Social security contributions | 1,337 | 1,409 | (72) |
| Employee severance indemnities | 191 | 249 | (58) |
| Employee pensions and similar obligations | 191 | 189 | 2 |
| Other costs | 387 | 338 | 49 |
| Total personnel costs | 7,217 | 7,526 | (309) |

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

| € in millions | 2004 | 2003 | Change |
|---|--------------|--------------|--------------|
| Fiat Group | | | |
| Salaries and wages | 4,462 | 4,707 | (245) |
| Social security contributions | 1,168 | 1,249 | (81) |
| Employee severance indemnities | 187 | 244 | (57) |
| Employee pensions and similar obligations | 178 | 185 | (7) |
| Other costs | 374 | 303 | 71 |
| Total Fiat Group | 6,369 | 6,688 | (319) |
| Worms & Cie Group | | | |
| Salaries and wages | 576 | 577 | (1) |
| Social security contributions | 149 | 146 | 3 |
| Employee pensions and similar obligations | 13 | 4 | 9 |
| Other costs | 11 | 34 | (23) |
| Total Worms & Cie Group | 749 | 761 | (12) |
| Alpitour Group | | | |
| Salaries and wages | 65 | 50 | 15 |
| Social security contributions | 17 | 13 | 4 |
| Employee severance indemnities | 4 | 3 | 1 |
| Other costs | 1 | 1 | 0 |
| Total Alpitour Group | 87 | 67 | 20 |
| IFI and IFIL Holdings System | | | |
| Salaries and wages | 8 | 7 | 1 |
| Social security contributions | 3 | 1 | 2 |
| Employee severance indemnities | 0 | 2 | (2) |
| Other costs | 1 | 0 | 1 |
| Total IFI and IFIL Holdings System | 12 | 10 | 2 |
| Total personnel costs | 7,217 | 7,526 | (309) |

Personnel costs of the Fiat Group in 2004 amount to € 6,369 million in 2004, a decrease of 4.8% compared to 2003, mostly due to the effects of the change in the scope of consolidation. On a comparable consolidation basis, the decrease would be 2.4%. Personnel costs are equal to 13.6% of revenues (14.1% in 2003). Personnel costs as a percentage of revenues, on a comparable consolidation basis, would be 13.6% (14.5% in 2003).

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

| | 2004 | 2003 | Change |
|---|----------------|----------------|-----------------|
| - Managers, management staff and clerks | 64,904 | 72,106 | (7,202) |
| - Blue-collar | 114,886 | 120,444 | (5,558) |
| Total | 179,790 | 192,550 | (12,760) |

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

| | 2004 | 2003 | Change |
|------------------------------|----------------|----------------|-----------------|
| Fiat Group | 161,494 | 174,242 | (12,748) |
| Worms & Cie Group | 14,551 | 14,961 | (410) |
| Alpitour Group | 3,664 | 3,268 | 396 |
| IFI and IFIL Holdings System | 81 | 79 | 2 |
| Total | 179,790 | 192,550 | (12,760) |

The average number of employees of the Fiat Group in 2004 totals 161,494, a decrease of 12,748 employees compared to 2003. This decrease 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 principally in relation to the sale of FiatAvio S.p.A., the Toro Assicurazioni Group and the retail financing activities of the Automobile Sector. In 2004 and 2003, there are no companies accounted for using the proportional method.

Provisions for risks

Provisions for risks of € 1,395 million in 2004 (€ 1,164 million in 2003) mainly refer to the Fiat Group and relate to the vehicle warranty reserve of € 636 million (€ 490 million in 2003), mainly in the Automotive Sectors, and to other reserves connected with industrial risks for € 758 million (€ 673 million in 2003).

Other operating costs

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

| € in millions | 2004 | 2003 | Change |
|-------------------------------------|--------------|--------------|------------|
| Fiat Group | | | |
| Losses on sale of fixed assets | 83 | 47 | 36 |
| Prior period expenses | 208 | 226 | (18) |
| Indirect and other taxes | 128 | 147 | (19) |
| Sundry expenses | 656 | 608 | 48 |
| Total Fiat Group | 1,075 | 1,028 | 47 |
| Worms & Cie Group | | | |
| Indirect and other taxes | 43 | 40 | 3 |
| Sundry expenses | 47 | 38 | 9 |
| Total Worms & Cie Group | 90 | 78 | 12 |
| Alpitour Group | | | |
| Prior period expenses | 2 | 1 | 1 |
| Indirect and other taxes | 2 | 3 | (1) |
| Sundry expenses | 1 | 0 | 1 |
| Total Alpitour Group | 5 | 4 | 1 |
| IFI and IFIL Holdings System | 0 | 4 | (4) |
| Total other operating costs | 1,170 | 1,114 | 56 |

Insurance claims and other insurance costs

Insurance claims and other insurance costs amount to € 20 million in 2004 (€ 1,367 million in 2003) and refer to insurance companies in the Fiat Group. The decrease from 2003 is due to the sale of the Toro Assicurazioni Group on May 2, 2003.

16) Financial income and expenses

Investment income

Details of investment income are as follows:

| € in millions | 2004 | 2003 | Change |
|--------------------------------|-----------|-----------|-------------|
| Dividends | 38 | 38 | 0 |
| Tax credit on dividends | 0 | 17 | (17) |
| Other | 0 | 5 | (5) |
| Total investment income | 38 | 60 | (22) |

Other financial income

Details are as follows:

| € in millions | 2004 | 2003 | Change |
|---|--------------|--------------|--------------|
| Other financial income from | | | |
| - receivables held as fixed assets from others | 1 | 5 | (4) |
| - securities held as fixed assets other than equity investments | 1 | 0 | 1 |
| - securities held as current assets other than equity investments | 45 | 127 | (82) |
| Other income from | | | |
| - unconsolidated subsidiaries | 4 | 8 | (4) |
| - associated companies | 6 | 7 | (1) |
| - others: | | | |
| . bank and other interest | 147 | 252 | (105) |
| . customer interest and lease income | 74 | 42 | 32 |
| . discounts and other income | 49 | 61 | (12) |
| . income from derivative financial instruments | 982 | 997 | (15) |
| Total from others | 1,252 | 1,352 | (100) |
| Total other income | 1,262 | 1,367 | (105) |
| Total other financial income | 1,309 | 1,499 | (190) |

Interest and other financial expenses

Details are as follows:

| € in millions | 2004 | 2003 | Change |
|---|--------------|--------------|--------------|
| Interest and other financial expenses from: | | | |
| - unconsolidated subsidiaries | 0 | 3 | (3) |
| - associated companies | 5 | 6 | (1) |
| - parent company | 1 | 1 | 0 |
| - others: | | | |
| . bond interest | 576 | 673 | (97) |
| . bank interest | 188 | 277 | (89) |
| . interest on trade and other payables | 27 | 18 | 9 |
| . interest on notes payable | 6 | 14 | (8) |
| . discounts and other expenses | 475 | 443 | 32 |
| . expenses from derivative financial instruments | 661 | 994 | (333) |
| . interest on other financial payables | 115 | 187 | (72) |
| . losses on sale of securities | 1 | 8 | (7) |
| Total interest and other financial expenses from others | 2,049 | 2,614 | (565) |
| Total interest and other financial expenses | 2,055 | 2,624 | (569) |

Foreign exchange gains and losses

Foreign exchange gains, net, of € 25 million (€ 64 million in 2003) represent the balance between foreign exchange gains of € 2,549 million (€ 2,657 million in 2003) and foreign exchange losses of € 2,524 million (€ 2,593 million in 2003). Such balances mostly relate to the Fiat Group.

Fiat Group

The following analysis of "Other financial income", "Interest and other financial expenses" and "Foreign exchange gains and losses" presents 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 | 2004 | 2003 | Change |
|---|--------------|--------------|--------------|
| Other financial income from: | | | |
| - receivables held as fixed assets from others | 0 | 3 | (3) |
| - securities held as fixed assets other than equity investments | 1 | 0 | 1 |
| - securities held as current assets other than equity investments | 39 | 119 | (80) |
| Other income from: | | | |
| - unconsolidated subsidiaries | 4 | 8 | (4) |
| - associated companies | 29 | 34 | (5) |
| - others: | | | |
| . bank and other interest | 190 | 266 | (76) |
| . customer interest and lease income | 922 | 1,166 | (244) |
| . discounts and other income | 65 | 81 | (16) |
| . income from derivative financial instruments | 996 | 1,132 | (136) |
| Total from others | 2,173 | 2,645 | (472) |
| Total other income | 2,206 | 2,687 | (481) |
| Total other financial income | 2,246 | 2,809 | (563) |
| of which: | | | |
| Other financial income, excluding financial services companies | 1,271 | 1,457 | (186) |

| € in millions | 2004 | 2003 | Change |
|---|--------------|--------------|--------------|
| Interest and other financial expenses from: | | | |
| - unconsolidated subsidiaries | 0 | 3 | (3) |
| - associated companies | 5 | 6 | (1) |
| - others: | | | |
| . bond interest | 587 | 681 | (94) |
| . bank interest | 316 | 558 | (242) |
| . interest on trade and other payables | 27 | 18 | 9 |
| . interest on notes payable | 7 | 49 | (42) |
| . interest on other financial payables | 167 | 185 | (18) |
| . discounts and other expenses | 544 | 534 | 10 |
| . expenses from derivative financial instruments | 666 | 1,115 | (449) |
| . losses on sale of securities | 1 | 8 | (7) |
| Total interest and other financial expenses from others | 2,315 | 3,148 | (833) |
| Total interest and other financial expenses | 2,320 | 3,157 | (837) |
| of which: | | | |
| Interest and other financial expenses, excluding financial services companies | 1,944 | 2,489 | (545) |

| € in millions | 2004 | 2003 | Change |
|---|-----------|-----------|-------------|
| Foreign exchange gains and losses | | | |
| Positive balance of exchange differences | 25 | 47 | (22) |
| Total foreign exchange gains and losses | 25 | 47 | (22) |
| of which | | | |
| Foreign exchange gains and losses, excluding financial services companies | 25 | 47 | (22) |

Other financial income of € 2,246 million in 2004 (€ 2,809 million in 2003), when shown net of interest and other financial expenses of € 2,320 million (€ 3,157 million in 2003) and the net balance of foreign exchange gains of € 25 million (€ 47 million in 2003) result in a net negative balance of € 49 million (a net negative balance of € 301 million in 2003). However, the result for fiscal 2003 had benefited from financial income, net of the relative financial expenses, on the businesses sold (mainly the retail activities of Fiat Auto and the Toro Assicurazioni Group) for approximately € 170 million. On a comparable consolidation basis, the improvement is about € 420 million and is the consequence of both nonrecurring transactions (mainly the net amount of income of approximately € 300 million from the termination of the equity swap on General Motors stock) and lower average indebtedness during the year and generally more favorable market interest rates.

Discounts and other expenses include receivables discounting and securitization expenses of € 195 million in 2004 (€ 280 million in 2003).

Worms & Cie Group

| € in millions | 2004 | 2003 | Change |
|---|-----------|-----------|------------|
| Other financial income from: | | | |
| - receivables held as fixed assets from others | 0 | 2 | (2) |
| - securities held as current assets other than equity investments | 1 | 3 | (2) |
| Other income from: | | | |
| - others: | | | |
| . bank and other interest | 28 | 24 | 4 |
| . discounts and other income | 0 | 3 | (3) |
| Total other income | 28 | 27 | 1 |
| Total other financial income | 29 | 32 | (3) |

| € in millions | 2004 | 2003 | Change |
|--|-----------|-----------|-------------|
| Interest and other financial expenses from: | | | |
| - others: | | | |
| . bank interest | 39 | 49 | (10) |
| . discounts and other expenses | 18 | 21 | (3) |
| Total interest and other financial expenses | 57 | 70 | (13) |

Alpitour Group

| € in millions | 2004 | 2003 | Change |
|---|----------|----------|------------|
| Other financial income from: | | | |
| - receivables held as fixed assets from others | 1 | 0 | 1 |
| - securities held as current assets other than equity investments | 0 | 1 | (1) |
| Bank and other interest | 2 | 3 | (1) |
| Total other financial income | 3 | 4 | (1) |

| € in millions | 2004 | 2003 | Change |
|--|-----------|-----------|------------|
| Interest and other financial expenses from: | | | |
| - others: | | | |
| . bank interest | 11 | 11 | 0 |
| . discounts and other expenses | 2 | 2 | 0 |
| Interest on other financial payables | 1 | 2 | (1) |
| Total interest and other financial expenses | 14 | 15 | (1) |

IFI and IFIL Holdings System

| € in millions | 2004 | 2003 | Change |
|---|----------|----------|----------|
| Other financial income from: | | | |
| - securities held as current assets other than equity investments | 5 | 4 | 1 |
| Bank and other interest | 1 | 1 | 0 |
| Total other financial income | 6 | 5 | 1 |

| € in millions | 2004 | 2003 | Change |
|--|-----------|-----------|-------------|
| Interest and other financial expenses from: | | | |
| - parent companies | 1 | 1 | 0 |
| - others: | | | |
| . bond interest | 14 | 9 | 5 |
| . bank interest | 13 | 24 | (11) |
| . discounts and other expenses | 2 | 7 | (5) |
| . expenses from derivative financial instruments | 9 | 9 | 0 |
| . interest on other financial payables | 1 | 0 | 1 |
| Total interest and other financial expenses | 40 | 50 | (10) |

17) Adjustments to financial assets

| € in millions | 2004 | 2003 | Change |
|---|--------------|--------------|-------------|
| Revaluations: | | | |
| - equity investments | 203 | 229 | (26) |
| - securities held in current assets other than equity investments | 0 | 15 | (15) |
| Total revaluations | 203 | 244 | (41) |
| Writedowns: | | | |
| - equity investments | (166) | (306) | 140 |
| - financial fixed assets other than equity investments | (23) | (1) | (22) |
| - securities held in current assets other than equity investments | (3) | (9) | 6 |
| - financial receivables | (74) | (6) | (68) |
| Total writedowns | (266) | (322) | 56 |
| Total adjustments to financial assets | (63) | (78) | 15 |

The revaluations and the writedowns of equity investments also include the Group's share of earnings and losses of companies accounted for using the equity method and the amortization of differences on consolidation included in the carrying values of the investments accounted for using the equity method.

Details, by Group, are as follows.

Fiat Group

| € in millions | 2004 | 2003 | Change |
|---|--------------|--------------|-----------|
| Revaluations: | | | |
| - equity investments | 125 | 91 | 34 |
| - securities held in current assets other than equity investments | 0 | 14 | (14) |
| Total revaluations | 125 | 105 | 20 |
| Writedowns: | | | |
| - equity investments | (126) | (263) | 137 |
| - financial fixed assets other than equity investments | (23) | (1) | (22) |
| - securities held in current assets other than equity investments | (2) | (8) | 6 |
| - financial receivables | (71) | (5) | (66) |
| Total writedowns | (222) | (277) | 55 |
| Total adjustments to financial assets | (97) | (172) | 75 |

Revaluations of equity investments include the results of the following companies: BUC – Banca Unione Credito for € 9 million (€ 11 million in 2003), various companies of CNH Global N.V. for € 28 million (€ 24 million in 2003), companies of the Automobile Sector for € 56 million (€ 20 million in 2003) and other companies for € 32 million (€ 36 million in 2003).

Writedowns of equity investments include the results of the companies valued using the equity method and the permanent impairments in value of the companies valued at cost, for the following: various companies of CNH Global N.V. for € 4 million (€ 9 million in 2003), companies of the Automobile Sector for € 51 million (€ 112 million in 2003), companies of the Commercial Vehicles Sector for € 28 million (€ 3 million in 2003), companies of the Service Sector for € 26 million (€ 7 million in 2003) and other companies for € 17 million (€ 4 million in 2003). In 2003, the amount included writedowns in the following companies: Italernergia Bis S.p.A. for € 24 million, Atlanet S.p.A. for € 56 million, and the first four months of the Toro Assicurazioni Group for € 48 million.

Writedowns of financial receivables of € 71 million (€ 5 million in 2003) include provisions to the allowance for doubtful financial accounts receivable to adjust certain items to realizable value after settlement for the partial collection of a receivable which became known during the early months of 2005.

Worms & Cie Group

| € in millions | 2004 | 2003 | Change |
|---|-------------|-------------|------------|
| Revaluations: | | | |
| - equity investments | 51 | 51 | 0 |
| - securities held in current assets other than equity investments | 0 | 1 | (1) |
| Total revaluations | 51 | 52 | (1) |
| Writedowns: | | | |
| - equity investments | (22) | (23) | 1 |
| - securities held in current assets other than equity investments | 0 | (1) | 1 |
| - financial receivables | (3) | (1) | (2) |
| Total writedowns | (25) | (25) | 0 |
| Total adjustments to financial assets | 26 | 27 | (1) |

Revaluations of equity investments in 2004 include the results of Pechel Industries for € 6 million (€ 13 million in 2003), SGS for € 44 million (€ 36 million in 2003) and sundry companies in the Antalis Group for € 1 million.

Writedowns refer to the amortization of the difference on consolidation included in the carrying value of the investment in SGS.

IFI and IFIL Holdings System

| € in millions | 2004 | 2003 | Change |
|---|-------------|-------------|-------------|
| Revaluations: | | | |
| - equity investments | 27 | 87 | (60) |
| Total revaluations | 27 | 87 | (60) |
| Writedowns: | | | |
| - equity investments | (18) | (20) | 2 |
| - securities held in current assets other than equity investments | (1) | 0 | (1) |
| Total writedowns | (19) | (20) | 1 |
| Total adjustments to financial assets | 8 | 67 | (59) |

Revaluations include the result of Exor Group for € 27 million (€ 5 million in 2003). In 2003, revaluations also included the result of the Eurofind Group for € 82 million.

Writedowns include the negative result of Juventus Football Club for € 4 million (€ 10 million in 2003) and the Eurofind Group for € 6 million as well as the amortization of the differences on consolidation of Eurofind for € 8 million (€ 10 million in 2003).

18) Extraordinary income and expenses

| € in millions | 2004 | 2003 | Change |
|---|----------------|----------------|----------------|
| Extraordinary income | | | |
| Gains on disposals of investments and other fixed assets | 813 | 2,080 | (1,267) |
| Other income: | | | |
| - prior period income | 20 | 36 | (16) |
| - other income | 153 | 161 | (8) |
| Total other income | 173 | 197 | (24) |
| Total extraordinary income | 986 | 2,277 | (1,291) |
| Extraordinary expenses | | | |
| Losses on disposals of investments and other fixed assets | (7) | (56) | 49 |
| Taxes relating to prior years | (39) | (27) | (12) |
| Other expenses: | | | |
| - extraordinary provisions to reserves | (502) | (609) | 107 |
| - other extraordinary expenses | (770) | (1,003) | 233 |
| - prior period expenses | (18) | (49) | 31 |
| Total other expenses | (1,290) | (1,661) | 371 |
| Total extraordinary expenses | (1,336) | (1,744) | 408 |
| Total extraordinary income and expenses | (350) | 533 | (883) |

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

Fiat Group

| € in millions | 2004 | 2003 | Change |
|---|----------------|----------------|----------------|
| Extraordinary income | | | |
| Gains on disposals of investments and other fixed assets | 162 | 1,826 | (1,664) |
| Other income: | | | |
| - prior period income | 19 | 32 | (13) |
| - other income | 135 | 159 | (24) |
| Total other income | 154 | 191 | (37) |
| Total extraordinary income | 316 | 2,017 | (1,701) |
| Extraordinary expenses | | | |
| Losses on disposals of investments and other fixed assets | (5) | (50) | 45 |
| Taxes relating to prior years | (39) | (26) | (13) |
| Other expenses: | | | |
| - extraordinary provisions to reserves | (432) | (585) | 153 |
| - other extraordinary expenses | (685) | (969) | 284 |
| - prior period expenses | (18) | (40) | 22 |
| Total other expenses | (1,135) | (1,594) | 459 |
| Total extraordinary expenses | (1,179) | (1,670) | 491 |
| Total extraordinary income and expenses | (863) | 347 | (1,210) |

Gains on disposals of investments and other fixed assets amount to € 162 million in 2004 (€ 1,826 million in 2003). They include the gains on the following sales: the Midas Group for € 32 million (€ 28 million net of the provisions connected with the transaction, classified in extraordinary provisions to reserves), Fiat Engineering S.p.A. for € 60 million (€ 58 million net of the collateral costs classified as extraordinary expenses), Edison S.p.A. shares for € 32 million, Edison warrants for € 30 million and other minor investments for € 8 million.

Gains on disposals of investments and other fixed assets amounted to € 1,826 million in 2003 and included the gains on the following sales: the Toro Assicurazioni Group for € 427 million (€ 390 million net of the expenses and provisions connected with the transaction, classified as other extraordinary expenses), the Automobile Sector's Retail financing activities in Brazil for € 103 million, the 55.95% investment in IPI S.p.A. for € 15 million, the 50.1% investment in IN ACTION S.r.l. for € 8 million, FiatAvio S.p.A. for € 1,266 million (€ 1,258 million net of the expenses connected with the transaction) and other minor investments for € 7 million.

The other extraordinary income of € 135 million (€ 159 million in 2003) refers to nonrecurring income of the individual companies of the 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 € 5 million in 2004 (€ 50 million in 2003).

Taxes relating to prior years amount to € 39 million in 2004 (€ 26 million in 2003).

Other extraordinary expenses amounting to € 1,135 million in 2004, include principally expenses and provisions for risks in relation to corporate restructuring transactions of the Fiat Group of € 508 million, other extraordinary writedowns of assets on the basis of changes in market prospects and the consequent new business plans of € 35 million. They also include additional extraordinary expenses and provisions to reserves for future risks and charges for a total of € 592 million, the most significant of which refer to expenses for the rationalization and restructuring of relationships with suppliers of the Fiat Group of € 246 million. Other extraordinary expenses also include those of the Fiat Group of € 18 million for prior period expenses.

Other extraordinary expenses amounting to € 1,594 million in 2003, included principally expenses and provisions for risks in relation to corporate restructuring transactions 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 included prior years' expenses of € 40 million.

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

| € in millions | 2004 | 2003 | Change |
|---|--------------|--------------|--------------|
| Automobiles | 742 | 711 | 31 |
| Agricultural and construction equipment | 68 | 142 | (74) |
| Commercial vehicles | 70 | 170 | (100) |
| Metallurgical products | 25 | 67 | (42) |
| Components | 68 | 86 | (18) |
| Production systems | 17 | 140 | (123) |
| Services | 16 | 31 | (15) |
| Other companies | 129 | 247 | (118) |
| Total other expenses | 1,135 | 1,594 | (459) |

Worms & Cie Group

| € in millions | 2004 | 2003 | Change |
|---|--------------|-------------|--------------|
| Extraordinary income | | | |
| Gains on disposals of investments and other fixed assets | 28 | 115 | (87) |
| Other income | 15 | 0 | 15 |
| Total extraordinary income | 43 | 115 | (72) |
| Extraordinary expenses | | | |
| Losses on disposals of investments and other fixed assets | 0 | (6) | 6 |
| Other expenses: | | | |
| - extraordinary provisions to reserves | (66) | (22) | (44) |
| - other extraordinary expenses | (80) | (28) | (52) |
| - prior period expenses | 0 | (9) | 9 |
| Total other expenses | (146) | (59) | (87) |
| Total extraordinary expenses | (146) | (65) | (81) |
| Total extraordinary income and expenses | (103) | 50 | (153) |

Gains on disposals of investments and other fixed assets mainly relate to the sale of the remaining 0.64% stake in the Accor Group (€ 22 million) and the Roumain RTC Group (€ 2 million).

In 2003, gains mainly related to the sale of the 1.3% stake in Groupe Danone (€ 111 million).

Other extraordinary expenses include extraordinary depreciation of property, plant and equipment for € 54 million and other extraordinary expenses for the corporate restructuring of the AWA Group.

Alpitour Group

| € in millions | 2004 | 2003 | Change |
|---|------------|------------|-------------|
| Extraordinary income | | | |
| Gains on disposals of investments and other fixed assets | 2 | 9 | (7) |
| Total extraordinary income | 2 | 9 | (7) |
| Extraordinary expenses | | | |
| Losses on disposals of investments and other fixed assets | (2) | 0 | (2) |
| Taxes relating to prior years | 0 | (1) | 1 |
| Other expenses: | | | |
| - extraordinary provisions to reserves | (2) | 0 | (2) |
| - other extraordinary expenses | (5) | (3) | (2) |
| Total other expenses | (7) | (3) | (4) |
| Total extraordinary expenses | (9) | (4) | (5) |
| Total extraordinary income and expenses | (7) | 5 | (12) |

Gains on disposals principally refer to the sale of the investment in Jumbo Renta.

In 2003, gains referred to the sale of the properties located in Turin, Milan and Trieste for € 7 million and the sale of the investment in Blumarin Hotel for € 2 million.

The losses on disposals refer to the sale of the investment in Promoviaggi.

Extraordinary expenses mainly refer to expenses incurred for the organizational restructuring of the Group.

IFI and IFIL Holdings System

| € in millions | 2004 | 2003 | Change |
|--|------------|------------|------------|
| Extraordinary income | | | |
| Gains on disposals of investments and other fixed assets | 621 | 130 | 491 |
| Other income: | | | |
| - prior period income | 1 | 4 | (3) |
| - other income | 3 | 2 | 1 |
| Total other income | 4 | 6 | (2) |
| Total extraordinary income | 625 | 136 | 489 |
| Extraordinary expenses | | | |
| Other expenses: | | | |
| - extraordinary provisions to reserves | (2) | (2) | 0 |
| - other extraordinary expenses | 0 | (3) | 3 |
| Total extraordinary expenses | (2) | (5) | 3 |
| Total extraordinary income and expenses | 623 | 131 | 492 |

Gains on disposals realized by the IFIL Holdings System refer to the sale of the 50% interest in the capital stock of Eurofind Food (+€ 586 million) and the 7.2% stake in the capital stock of Club Méditerranée (+€ 27 million), as well as the portion of the gain deferred in prior years at IFI level regarding the subsidiary La Rinascente (€ 8 million).

In 2003, the gains referred to the sale of the 25% interest in Sifalberghi (€ 25 million), the portion of gains deferred in prior years regarding 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, current and deferred

Income taxes recorded in the consolidated statement of operations are the following:

| € in millions | 2004 | 2003 | Change |
|-----------------------------------|-----------|--------------|------------|
| Current taxes, net of tax credits | (351) | (206) | (145) |
| Deferred taxes | 379 | (500) | 879 |
| Total | 28 | (706) | 734 |

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 | 2004 | 2003 |
|--|------------|--------------|
| Theoretical income taxes | 357 | 395 |
| Utilization of tax loss carryforwards | 121 | 57 |
| Tax effect of permanent differences | 205 | (78) |
| Tax effect of difference between foreign tax rates and theoretical Italian tax rates | 7 | 48 |
| Deferred tax assets not provided | (511) | (955) |
| Other differences | (19) | (45) |
| Total | 160 | (578) |
| IRAP | (132) | (128) |
| Income taxes recorded in financial statements (current and deferred income taxes) | 28 | (706) |

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 (IRES equal to 33% in 2004) to the income before taxes.

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 | | | | |
| 2004 | | | | | | | |
| Fiat Group | | | | | | | |
| Automobiles | 20,356 | 183 | 20,539 | (840) | 945 | 1,330 | 17,839 |
| Ferrari and Maserati | 1,502 | 10 | 1,512 | 6 | 121 | 139 | 1,099 |
| Agricultural and construction equipment | 9,791 | 5 | 9,796 | 407 | 393 | 210 | 12,134 |
| Commercial vehicles | 8,960 | 332 | 9,292 | 357 | 308 | 148 | 9,505 |
| Components | 2,586 | 1,218 | 3,804 | 116 | 181 | 187 | 2,393 |
| Metallurgical products | 798 | 113 | 911 | 35 | 48 | 44 | 728 |
| Production systems | 1,285 | 431 | 1,716 | 32 | 43 | 14 | 3,560 |
| Services | 802 | 770 | 1,572 | 36 | 33 | 11 | 783 |
| Publishing and communications | 398 | 9 | 407 | 12 | 7 | 2 | 228 |
| Other companies and eliminations (d) | 225 | (3,071) | (2,846) | (139) | 89 | 27 | 8,974 |
| Total Fiat Group | 46,703 | 0 | 46,703 | 22 | 2,168 | 2,112 | 57,243 |
| Worms & Cie Group - mainly paper manufacturing and distribution | | | | | | | |
| | 4,280 | 0 | 4,280 | 206 | 273 | 133 | 4,781 |
| Alpitour Group - Tourism | | | | | | | |
| | 1,108 | 0 | 1,108 | 21 | 17 | 20 | 515 |
| IFI and IFIL Holdings System | | | | | | | |
| | 2 | 0 | 2 | (210) | 38 | 0 | 2,320 |
| Total of the Group | 52,093 | 0 | 52,093 | 39 | 2,496 | 2,265 | 64,859 |
| 2003 | | | | | | | |
| Fiat Group | | | | | | | |
| Automobiles | 19,839 | 171 | 20,010 | (979) | 962 | 1,100 | 20,908 |
| Ferrari and Maserati | 1,250 | 11 | 1,261 | 32 | 85 | 193 | 965 |
| 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 |
| Components | 2,087 | 1,119 | 3,206 | 32 | 173 | 148 | 2,418 |
| Metallurgical products | 735 | 109 | 844 | 12 | 49 | 56 | 739 |
| Production systems | 1,756 | 537 | 2,293 | 2 | 56 | 18 | 4,125 |
| Services | 1,019 | 797 | 1,816 | 45 | 30 | 7 | 1,892 |
| Publishing and communications | 372 | 11 | 383 | 10 | 7 | 3 | 251 |
| Aviation (b) | 625 | 0 | 625 | 53 | 41 | 33 | 0 |
| Insurance (c) | 1,654 | 0 | 1,654 | 44 | 16 | 0 | 0 |
| 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 |
| Alpitour Group - Tourism | | | | | | | |
| | 946 | 0 | 946 | 9 | 11 | 29 | 633 |
| IFI and IFIL Holdings System | | | | | | | |
| | 3 | 0 | 3 | (73) | 43 | 0 | 1,734 |
| Total of the Group | 52,434 | 0 | 52,434 | (395) | 2,472 | 2,160 | 70,040 |

(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 € 120 million in 2004 and € 137 million in 2003.

21) Other information

Research and development expenses

Fiat Group

Each year significant expenditures are borne by the Fiat 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 2004 and 2003 direct research and development expenses were € 1,810 million and € 1,747 million, respectively. 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 2004, 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 € 997 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 € 226 million and grants for € 436 million in respect of these projects which could also give rise to receipts for incentives in future years. The amounts received during 2004, referring to the aforementioned expenditures, totaled € 22 million in low-rate loans and € 52 million in grants, for a cumulative total at December 31, 2004 of € 42 million in low-rate loans and € 157 million in grants.

The average interest rate on financing received for research and innovation at December 31, 2004 was 2.08% (2.27% for outstanding financing at December 31, 2003).

Worms & Cie Group

In 2004, research and development costs expensed directly to income during the year total € 17 million (€ 16 million in 2003).

Maintenance costs

Maintenance costs charged to income in 2004 and 2003 amounted to € 443 million and € 510 million, respectively. Details, by Group, are as follows:

| € in millions | 2004 | 2003 | Change |
|-------------------|------------|------------|-------------|
| Fiat Group | 370 | 435 | (65) |
| Worms & Cie Group | 67 | 71 | (4) |
| Alpitour Group | 6 | 4 | 2 |
| Total | 443 | 510 | (67) |

Advertising costs

Advertising costs charged to income amounted to € 959 million and to € 982 million, respectively, in 2004 and 2003. Details, by Group, are as follows:

| € in millions | 2004 | 2003 | Change |
|-------------------|------------|------------|-------------|
| Fiat Group | 898 | 921 | (23) |
| Worms & Cie Group | 44 | 43 | 1 |
| Alpitour Group | 17 | 18 | (1) |
| Total | 959 | 982 | (23) |

22) Compensation 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 such functions in the parent company and also in other companies included in the scope of consolidation are as follows:

| € in thousands | IFI S.p.A. | Subsidiaries | Total |
|--------------------|------------|--------------|--------------|
| Directors | 451 | 3,187 | 3,638 |
| Statutory Auditors | 146 | 158 | 304 |
| Total | 597 | 3,345 | 3,942 |

In 2003, compensation amounted to € 5,528 thousand, of which € 1,123 thousand was paid by IFI and € 4,405 thousand by subsidiaries.

23) Statement of cash flows for the year ended at December 31, 2004

| € in millions | 2004 | 2003 |
|---|----------------|----------------|
| A) Cash at January 1 | 3,461 | 3,733 |
| B) Cash flows provided by (used in) operating activities | | |
| Net result before minority interest | (1,029) | (1,647) |
| Amortization and depreciation | 2,550 | 2,472 |
| Net change in reserve for employee severance indemnities | (34) | (135) |
| Change in deferred income taxes | (303) | 422 |
| Net gains on disposal of fixed assets | (813) | (2,080) |
| Revaluations and writedowns of equity investments | 128 | 649 |
| Dividends received from unconsolidated subsidiaries | 256 | 41 |
| Change in current assets and liabilities: | | |
| - trade receivables | (260) | 174 |
| - net inventories | 459 | (381) |
| - trade payables | (509) | (28) |
| - other payables, receivables, accruals and deferrals | (275) | (587) |
| - reserves for income taxes and other reserves | (22) | (281) |
| - change in the scope of consolidation and others | 22 | (91) |
| Total cash flows provided by (used in) operating activities | 170 | (1,472) |
| C) Cash flows provided by (used in) investment activities | | |
| Investments in | | |
| - property, plant and equipment | (2,265) | (2,160) |
| - equity investments | (451) | (333) |
| - tangible assets and deferred charges | (276) | (515) |
| Investment grants | 92 | 134 |
| Proceeds from the sale of fixed assets | 1,574 | 4,413 |
| Net change in financial receivables | 3,234 | 1,149 |
| Change in securities in current assets and fixed assets | 1,082 | (3,063) |
| Other changes | 301 | 3,262 |
| Total cash flows provided by (used in) investment activities | 3,291 | 2,887 |
| D) Cash flows provided by (used in) financing activities | | |
| Increase in borrowings | 1,556 | 2,602 |
| Repayment of borrowings | (5,184) | (6,976) |
| Net change in short-term financial receivables and payables | 487 | 789 |
| Increase in capital stock subscribed by minority interests | 19 | 1,972 |
| Distribution of profits and reserves and purchase of treasury stock | (111) | (74) |
| Total cash flows provided by (used in) financing activities | (3,233) | (1,687) |
| E) Total change in cash | 228 | (272) |
| F) Cash at December 31 | 3,689 | 3,461 |

24) Translation of foreign financial statements

The principal exchange rates used in 2004 and 2003 to translate foreign currency financial statements into euros are the following:

| | 2004 | | 2003 | |
|----------------|---------|---------------|---------|---------------|
| | Average | At 12/31/2004 | Average | At 12/31/2003 |
| U.S. dollar | 1.244 | 1.362 | 1.131 | 1.263 |
| British pound | 0.679 | 0.705 | 0.692 | 0.705 |
| Swiss franc | 1.544 | 1.543 | 1.521 | 1.558 |
| Polish zloty | 4.526 | 4.084 | 4.398 | 4.717 |
| Brazilian real | 3.635 | 3.615 | 3.474 | 3.649 |
| Argentine peso | 3.664 | 4.045 | 3.335 | 3.713 |

Turin, March 30, 2005

For the Board of Directors
The Chairman
Gianluigi Gabetti

IFI S.p.A.

IFI S.p.A.

| BALANCE SHEET - ASSETS (in €) | 12/31/2004 | 12/31/2003 | Change |
|---|----------------------|----------------------|------------------|
| FIXED ASSETS | | | |
| Intangible fixed assets | | | |
| Industrial patents and intellectual property rights | 6,067 | 0 | 6,067 |
| Property, plant and equipment | | | |
| Industrial and commercial equipment | 0 | 10,524 | (10,524) |
| Financial fixed assets | | | |
| Investments in subsidiaries | 1,676,161,514 | 1,676,161,514 | 0 |
| Investments in associated companies | 102,559,055 | 102,559,055 | 0 |
| Investments in other companies | 735,596 | 923,658 | (188,062) |
| Total investments | 1,779,456,165 | 1,779,644,227 | (188,062) |
| Receivables - from others | 8,178,274 | 6,678,274 | 1,500,000 |
| Treasury stock | 70,477,224 | 70,477,224 | 0 |
| Total financial fixed assets | 1,858,111,663 | 1,856,799,725 | 1,311,938 |
| TOTAL FIXED ASSETS | 1,858,117,730 | 1,856,810,249 | 1,307,481 |
| CURRENT ASSETS | | | |
| Receivables (a) | | | |
| Receivables from subsidiaries | 289,379 | 393,498 | (104,119) |
| Receivables from associated companies | 100,000 | 54,483 | 45,517 |
| Receivables from parent company | 9,900 | 0 | 9,900 |
| Taxes receivables | 17,807,307 | 17,335,816 | 471,491 |
| Other receivables | | | |
| due within one year | 839,840 | 815,155 | 24,685 |
| due beyond one year | 33 | 33 | 0 |
| Total receivables | 19,046,459 | 18,598,985 | 447,474 |
| Cash | | | |
| Bank and post office accounts | 75,602 | 53,690 | 21,912 |
| Cash on hand | 3,263 | 10,255 | (6,992) |
| Total cash | 78,865 | 63,945 | 14,920 |
| TOTAL CURRENT ASSETS | 19,125,324 | 18,662,930 | 462,394 |
| ACCRUED INCOME AND PREPAID EXPENSES | 58,162 | 49,425 | 8,737 |
| TOTAL ASSETS | 1,877,301,216 | 1,875,522,604 | 1,778,612 |

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

IFI S.p.A.

| BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY (in €) | 12/31/2004 | 12/31/2003 | Change |
|--|-----------------------------|----------------------|---------------------|
| STOCKHOLDERS' EQUITY | | | |
| Capital stock | 163,251,460 | 163,251,460 | 0 |
| Additional paid-in capital | 386,346,907 | 386,346,907 | 0 |
| Revaluation reserves | | | |
| Revaluation reserve Law No. 74/52 | 156,734 | 156,734 | 0 |
| Revaluation reserve Law No. 576/75 | 16,939,786 | 16,939,786 | 0 |
| Revaluation reserve Law No. 72/83 | 64,265,310 | 64,265,310 | 0 |
| Total revaluation reserves | <u>81,361,830</u> | 81,361,830 | 0 |
| Legal reserve | 32,650,292 | 14,788,912 | 17,861,380 |
| Statutory reserves | | | |
| Extraordinary reserve | 712,904,015 | 736,081,101 | (23,177,086) |
| Treasury stock valuation reserve | 70,477,224 | 70,477,224 | 0 |
| Reserve for purchase of treasury stock | 120,000,000 | 100,000,000 | 20,000,000 |
| Net income | 37,707,363 | 14,666,264 | 23,041,099 |
| TOTAL STOCKHOLDERS' EQUITY | <u>1,604,699,091</u> | 1,566,973,698 | 37,725,393 |
| RESERVES FOR RISKS AND CHARGES | | | |
| For income taxes, also deferred income taxes | 1,504,268 | 5,571,990 | (4,067,722) |
| Other reserves | 4,200,000 | 2,700,000 | 1,500,000 |
| TOTAL RESERVES FOR RISKS AND CHARGES | <u>5,704,268</u> | 8,271,990 | (2,567,722) |
| RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES | <u>1,495,991</u> | 1,300,802 | 195,189 |
| PAYABLES ^(a) | | | |
| Borrowings from banks due within one year | 208,455,620 | 66,261,713 | 142,193,907 |
| Borrowings from banks due beyond one year | 30,000,000 | 212,700,000 | (182,700,000) |
| Trade payables | 164,802 | 1,218,963 | (1,054,161) |
| Payables to subsidiaries | 192,202 | 372,803 | (180,601) |
| Payables to parent company | 24,189,192 | 15,175,589 | 9,013,603 |
| Taxes payable | 133,211 | 178,644 | (45,433) |
| Social security payable | | | |
| due within one year | 323,187 | 334,990 | (11,803) |
| due beyond one year | 254,272 | 452,512 | (198,240) |
| Other payables | 505,259 | 1,001,600 | (496,341) |
| TOTAL PAYABLES | <u>264,217,745</u> | 297,696,814 | (33,479,069) |
| ACCRUED EXPENSES AND DEFERRED INCOME | <u>1,184,121</u> | 1,279,300 | (95,179) |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>1,877,301,216</u> | 1,875,522,604 | 1,778,612 |

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

IFI S.p.A.

| GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS (in €) | 12/31/2004 | 12/31/2003 | Change |
|---|--------------------|-------------------|---------------|
| GUARANTEES GRANTED | | | |
| Sureties issued on behalf of subsidiaries | 4,128,053 | 32,002,828 | (27,874,775) |
| GUARANTEES RECEIVED - from third parties | 0 | 726,255 | (726,255) |
| COMMITMENTS | 161,592,962 | 173,517,351 | (11,924,389) |
| OTHER MEMORANDUM ACCOUNTS | | | |
| Securities held in deposit by third parties | 34,189,866 | 34,190,193 | (327) |
| Third-party assets held by the company | 86,450,000 | 0 | 86,450,000 |
| TOTAL OTHER MEMORANDUM ACCOUNTS | 120,639,866 | 34,190,193 | 86,449,673 |

IFI S.p.A.

| STATEMENT OF OPERATIONS (in €) | 2004 | 2003 | Change |
|---|---------------------|--------------|--------------|
| VALUE OF PRODUCTION | | | |
| Revenues from sales and services | 1,008,667 | 1,060,113 | (51,446) |
| Other income and revenues | 505,848 | 456,385 | 49,463 |
| TOTAL VALUE OF PRODUCTION | 1,514,515 | 1,516,498 | (1,983) |
| COSTS OF PRODUCTION | | | |
| Raw materials, supplies and merchandise | (43,224) | (53,856) | 10,632 |
| Services | (1,993,747) | (4,478,347) | 2,484,600 |
| Leases and rentals | (382,236) | (803,326) | 421,090 |
| Personnel | | | |
| salaries and wages | (1,486,020) | (1,715,921) | 229,901 |
| social security contributions | (485,083) | (520,723) | 35,640 |
| employee severance indemnities | (226,590) | (233,737) | 7,147 |
| other costs | (317,889) | (243,196) | (74,693) |
| | (2,515,582) | (2,713,577) | 197,995 |
| Amortization, depreciation and writedowns | | | |
| amortization of intangible fixed assets | (3,033) | 0 | (3,033) |
| depreciation of property, plant and equipment | (10,524) | (25,556) | 15,032 |
| | (13,557) | (25,556) | 11,999 |
| Other operating costs | | | |
| donations to charities and cultural organizations | (218,850) | (356,750) | 137,900 |
| other | (372,043) | (1,253,890) | 881,847 |
| | (590,893) | (1,610,640) | 1,019,747 |
| TOTAL COSTS OF PRODUCTION | (5,539,239) | (9,685,302) | 4,146,063 |
| FINANCIAL INCOME AND EXPENSES | | | |
| Dividends relating to | | | |
| subsidiaries | 39,914,571 | 0 | 39,914,571 |
| associated companies | 10,596,550 | 4,443,715 | 6,152,835 |
| other companies | 87,840 | 202,500 | (114,660) |
| | 50,598,961 | 4,646,215 | 45,952,746 |
| Gains on sale of investment in subsidiary | 0 | 3,578,011 | (3,578,011) |
| Gains on sale of investments in other companies | 19,415 | 19,044,882 | (19,025,467) |
| | 50,618,376 | 27,269,108 | 23,349,268 |
| Other financial income | | | |
| from parent company | 43,081 | 0 | 43,081 |
| other income | 237,442 | 10,874 | 226,568 |
| Interest and other financial expenses from | | | |
| subsidiaries | 0 | (65,897) | 65,897 |
| parent company | (619,130) | (655,645) | 36,515 |
| others | (12,616,445) | (14,496,102) | 1,879,657 |
| | (13,235,575) | (15,217,644) | 1,982,069 |
| Foreign exchange gains and losses | (437) | 94 | (531) |
| TOTAL FINANCIAL INCOME AND EXPENSES | 37,662,887 | 12,062,432 | 25,600,455 |
| EXTRAORDINARY INCOME AND EXPENSES | | | |
| Income | 145,946 | 4,084,521 | (3,938,575) |
| Expenses | (31,573) | (881,319) | 849,746 |
| TOTAL EXTRAORDINARY INCOME AND EXPENSES | 114,373 | 3,203,202 | (3,088,829) |
| INCOME BEFORE TAXES | 33,752,536 | 7,096,830 | 26,655,706 |
| INCOME TAXES, CURRENT AND DEFERRED | 3,954,827 | 7,569,434 | (3,614,607) |
| NET INCOME | 37,707,363 | 14,666,264 | 23,041,099 |

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. For the first time, information is provided in accordance with Legislative Decree No. 6 dated January 17, 2003 (Reform of the law on corporations and cooperatives). Accordingly, the 2003 financial statements have been reclassified to reflect the requirements of the new legislation.

Not being applicable, the financial statements do not reflect the elimination of previous tax interference.

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 provided in point 5 of art. 2428 of the Italian Civil Code, significant events subsequent to the end of the year are commented in the Report on Operations, to which reference should be made.

SIGNIFICANT ACCOUNTING POLICIES

Pursuant to art. 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 discussed below have been applied on a basis consistent with the prior year, where not amended by the new provisions of the Italian Civil Code, and comply with the provisions of art. 2426 of the Italian Civil Code, as well as take into account the economic function of the assets and liabilities under consideration. Furthermore, there were no departures from paragraph 4 of art. 2423 of the Italian Civil Code in preparing these financial statements.

Intangible fixed assets

Intangible fixed assets are recorded at cost of acquisition and amortized on a straight-line basis over a period of not more than five years. Unamortized intangible fixed assets are covered by available reserves.

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 expensed 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 with annual adjustments.

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.

Accruals and deferrals

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, reflect 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

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.

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 and nonexistent assets and liabilities relating to prior years.

Income taxes

Ires and Irap taxes for the current year are calculated on the basis of the tax legislation in force.

Deferred taxes are calculated on temporary differences between the asset and liability items and the corresponding tax items and the deferred tax liability is recorded in a specific reserve in liabilities; any deferred tax assets are recorded in "Receivables – deferred tax assets" 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.

Assets and liabilities in currencies other than the euro, except for property, plant and equipment, intangible fixed assets and financial fixed assets (if made up of investments valued at cost) are adjusted to the year-end exchange rate, in the absence of a hedging contract for exchange rate risks.

Any net positive difference is booked, for the part not absorbed by a possible loss for the year, in a reserve under stockholders' equity which cannot be distributed until such time as the gains have effectively been realized. This reserve, however, may be used, from the year it is booked, to absorb the losses of prior years.

Property, plant and equipment, intangible fixed assets and financial fixed assets (if made up of investments valued at cost) in currencies other than the euro are booked at the exchange rate in effect at their date of purchase or at the rate at the end of the year if this results in a lower value and constitutes an impairment considered as permanent.

ANALYSIS OF THE INDIVIDUAL ITEMS OF THE BALANCE SHEET

Intangible fixed assets

Intangible fixed assets amount to € 6 thousand and relate to costs to update the corporate website (€ 9 thousand), net of the amortization charge for the year (€ 3 thousand). Such costs are amortized over a period of three years.

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 | 12/31/2004 | | 12/31/2003 | |
|---|------------|------------------|------------|------------------|
| | % | Carrying value | % | Carrying value |
| Subsidiaries | | | | |
| IFIL S.p.A. (ordinary shares) | 62.03 | 1,676,162 (a) | 62.03 | 1,676,162 |
| Associated companies - Exor Group S.A. (ordinary shares) | | | | |
| | 29.29 | 102,559 | 29.29 | 102,559 |
| Other companies | | | | |
| Deutsche Morgan Grenfell Capital Italy S.A. | | | | |
| - ordinary shares | 0.93 | 455 | 1.11 | 544 |
| - preferred shares | 1.28 | 5 | 1.28 | 5 |
| Emittenti Titoli S.p.A. | 6.43 | 272 | 8.78 | 371 |
| Sundry consortiums | - | 3 | - | 3 |
| | | 735 | | 923 |
| Total investments | | 1,779,456 | | 1,779,644 |

(a) Net of writedowns of € 73,473 thousand made in 2002.

During the year, there were no movements in the investments in subsidiaries and associated companies while 193,000 Emittenti Titoli shares (2.35% of capital stock) were sold and 172 Deutsche Morgan Grenfell Capital Italy shares were reimbursed (0.18% of the class of stock).

Financial fixed assets – Receivables from others

The receivable from TLcom I at December 31, 2004 amounts to € 8,178 thousand. This is an increase of € 1,500 thousand compared to the prior year.

Financial fixed assets – Treasury stock

There were no transactions in preferred treasury stock carried under financial fixed assets during the year. The balance at December 31, 2004 refers to the following:

| | Number of shares | Carrying value | |
|----------------------|------------------|----------------|------------------------|
| | | Unit (€) | Total (€ in thousands) |
| IFI preferred shares | 5,360,300 | 13.15 | 70,477 (a) |

(a) Net of writedowns of € 58,934 thousand made in 2002.

IFI preferred shares in portfolio at December 31, 2004 have a par value of € 5,360 thousand and represent 3.28% of capital stock (6.98% of the class of stock).

Based upon the average stock market prices for the second half of 2004 (€ 8.85), IFI preferred shares show an unrealized loss of € 23 million, which would be reduced to € 10 million based upon the average market prices for the period March 1 – 15, 2005 (€ 11.35).

Such unrealized loss is not considered representative of a permanent impairment 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, 2004 (€ 13.9).

Additional details are provided in Annex 3.

Current assets – Receivables from subsidiaries

| € in thousands | 12/31/2004 | 12/31/2003 | Change |
|--|------------|------------|--------------|
| Fiat S.p.A. | 228 | 0 | 228 |
| Juventus Football Club S.p.A. | 35 | 159 | (124) |
| IFIL S.p.A. | 9 | 201 | (192) |
| Neos S.p.A. | 9 | 0 | 9 |
| Welcome Travel Group S.p.A. | 1 | 22 | (21) |
| Soiem S.p.A. | 0 | 11 | (11) |
| Other Fiat Group companies | 7 | 0 | 7 |
| Total receivables from subsidiaries | 289 | 393 | (104) |

Current assets – Receivables from associated companies

| € in thousands | 12/31/2004 | 12/31/2003 | Change |
|-----------------|------------|------------|--------|
| Exor Group S.A. | 100 | 54 | 46 |

Current assets – Receivables from parent company

| € in thousands | 12/31/2004 | 12/31/2003 | Change |
|---------------------------------|------------|------------|--------|
| Giovanni Agnelli e C. S.a.p.az. | 10 | 0 | 10 |

The above receivables from subsidiaries, associated companies and parent company originated from the performance of services and cost recoveries.

Current assets – Taxes receivable

These refer to receivables from the tax authorities:

| € in thousands | 12/31/2004 | 12/31/2003 | Change |
|--|---------------|---------------|------------|
| Receivables from the tax authorities for prior years' taxes, refunds requested | 17,437 | 17,200 | 237 |
| VAT receivables | 235 | 0 | 235 |
| Receivables from the tax authorities for current and prior years' taxes, carried forward | 113 | 113 | 0 |
| Excess tax on companies | 22 | 22 | 0 |
| Total other receivables | 17,807 | 17,335 | 472 |

There are no receivables due beyond five years.

The changes in receivables from the tax authorities for the year 2004 are as follows:

| € in thousands | |
|---|---------------|
| Balance at December 31, 2003 | 17,335 |
| Purchase of receivables from the tax authorities from the subsidiary IFIL | 516 |
| VAT, prorata change in nondeductibility (from 100% to 19%) | 235 |
| Used to compensate withholdings payable | (516) |
| Interest earned during the year | 237 |
| Balance at December 31, 2004 | 17,807 |

Current assets – Other receivables

Other receivables amount to € 840 thousand (€ 815 thousand at December 31, 2003) and include € 620 thousand for services rendered to Fiat Sava for the custody of receivables which guarantee the circulation of interest-bearing Sava Fiat bonds and € 220 thousand for sundry revenues and cost recoveries.

Capital stock

At December 31, 2004, 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 bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code.

Pursuant to art. 27 of the bylaws, 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, pursuant to art. 2443 of the Italian Civil Code, to the Board of Directors by the Extraordinary Stockholders' Meeting held April 22, 2003.

Reserves

The statement of changes in stockholders' equity is presented in Annex 4.

The information required by art. 2427, number 7 bis of the Italian Civil Code (available and distributable reserves) is presented as follows:

| Balance sheet caption € in thousands | Balance at 12/31/2004 | Possibility of use | Portion available | Used to cover losses in the years 2002 2003 and 2004 |
|---|--------------------------|-----------------------|----------------------|---|
| Capital stock | 163,251 | | | |
| Capital stock reserves: | | | | |
| Additional paid-in capital (a) | 386,347 | A, B, C | 386,347 | 35,206 |
| Revaluation reserve Law 74, 2/11/1952 (b) | 157 | A, B, C | 157 | |
| Revaluation reserve Law 576, 12/2/1975 (b) | 16,940 | A, B, C | 16,940 | |
| Revaluation reserve Law 72, 3/19/1983 (b) | 64,265 | A, B, C | 64,265 | |
| Legal reserve | 2,032 | B | 0 | |
| Treasury stock valuation reserve | 458 | | 0 | |
| Reserve under DPR No. 597, art. 55, 9/29/1973 | 0 | | 0 | 91 |
| Merger surplus reserve | 0 | | 0 | 191,628 |
| Retained earnings | 0 | | 0 | 11 |
| Earnings reserves: | | | | |
| Legal reserve | 30,618 | B | | |
| Treasury stock valuation reserve | 70,019 | | | |
| Extraordinary reserve | 712,905 | A, B, C | 712,905 | |
| Reserve for purchase of treasury stock | 120,000 | | 0 | |
| Total | 1,566,992 | | 1,180,614 | 226,936 |
| Portion not distributable (c) | | | (6) | |
| Residual portion distributable | | | 1,180,608 | |

A: For capital increases; B: For coverage of losses; C: For distribution to stockholders;

- (a) Since the legal reserve is equal to one-fifth of capital stock (art. 2431 of the Italian Civil Code), the reserve can be distributed.
- (b) The revaluation reserves can be used for bonus increases of capital stock. If used to cover losses, they must be subsequently replenished. If not, then no dividends can be distributed. They cannot be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the Stockholders' Meeting and in compliance with the prescriptions of art. 2445, paragraphs 2 and 3 of the Italian Civil Code.
- (c) Pursuant to art. 2426 of the Italian Civil Code, paragraph 5, when there are start-up and expansion costs that must still be amortized, dividends can only be distributed if there are available reserves sufficient to cover the unamortized portion of these costs. Art. 2426 of the Italian Civil Code, paragraph 8 bis requires that unrealized net exchange gains, in that they derive from the valuation of the balances in foreign currency at year-end exchange rates, should be recorded, for the part not absorbed by any loss for the year, in a non-distributable reserve until the gain is realized.

At December 31, 2004, tax-deferred reserves are recorded for a total amount of € 83,394 thousand, of which € 81,362 thousand relates to the monetary revaluation reserve and € 2,032 thousand to the legal reserve. In the event of distribution, such amounts would form part of the taxable income of the Company. In 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 amount to € 5,704 thousand, of which € 1,504 thousand refers to taxes and € 4,200 thousand to the risk of writedowns of 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, 2003 | 1,066 | 235 | 1,301 |
| Provisions | 155 | 66 | 221 |
| Payments | (120) | (31) | (151) |
| Decrease for transfers to other Group companies | (156) | (26) | (182) |
| Increase for transfers from other Group companies | 249 | 58 | 307 |
| Balance at December 31, 2004 | 1,194 | 302 | 1,496 |

Borrowings from banks

| € in thousands | 12/31/2004 | 12/31/2003 | Change |
|------------------------------------|----------------|----------------|-----------------|
| Due within one year | 208,456 | 66,262 | 142,194 |
| Due beyond one year | 30,000 | 212,700 | (182,700) |
| Total borrowings from banks | 238,456 | 278,962 | (40,506) |

Borrowings from banks due within one year amount to € 208.5 million (€ 66.3 million at December 31, 2003) and include loans of € 140 million due in the first half of 2005, on which interest rate swaps and zero cost collars have been put into place to guarantee a fixed interest rate.

Borrowings from banks due beyond one year of € 30 million include loans of € 20 million on which interest rate swaps have been put into place to guarantee a fixed interest rate.

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.

The company has irrevocable lines of credit available totaling € 495 million, of which € 350 million is due beyond one year.

Payables to subsidiaries

Payables to subsidiaries amount to € 192 thousand and refer entirely to trade payables.

| € in thousands | 12/31/2004 | 12/31/2003 | Change |
|---------------------------------------|------------|------------|--------------|
| Soiem S.p.A. | 128 | 313 | (185) |
| IFIL S.p.A. | 23 | 0 | 23 |
| Fiat Auto S.p.A. | 5 | 11 | (6) |
| Other Fiat Group companies | 36 | 49 | (13) |
| Total payables to subsidiaries | 192 | 373 | (181) |

Payables to parent company

Payables to parent company amount to € 24,189 thousand (€ 15,176 thousand at December 31, 2003) and include € 24,186 thousand for the loan granted by the parent company Giovanni Agnelli e C. S.a.p.az., which bears interest at the monthly floating market rate, and € 3 thousand of cost recoveries.

Taxes payable

Taxes payable amount to € 133 thousand (€ 179 thousand in 2003) and relate to Irpef withholding taxes and VAT payable.

The Company has agreed its tax years up to December 31, 1999.

The Company took advantage of the tax amnesty (Law 289/2002 and subsequent amendments) opting to apply art. 8 (simple supplement) relating to the year 2002, with a charge of € 300.

Social security payable

| € in thousands | 12/31/2004 | 12/31/2003 | Change |
|---|------------|------------|--------------|
| INPS solidarity fund (MD No. 158 dated 4/28/2000) | 442 (a) | 679 | (237) |
| INPS social security contributions on salaries and unused vacation and holidays | 135 | 109 | 26 |
| Total social security payable | 577 | 788 | (211) |

(a) Of which € 254 thousand is 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 (€ 442 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 | 12/31/2004 | 12/31/2003 | Change |
|---|------------|--------------|--------------|
| Employees for salaries, holidays and vacation | 258 | 65 | 193 |
| Board of Statutory Auditors compensation | 154 | 178 | (24) |
| Stockholders for dividends not yet collected | 89 | 107 | (18) |
| Extraordinary compensation for the former Managing Director | 0 | 500 | (500) |
| Extraordinary compensation for the former Deputy Chairman | 0 | 150 | (150) |
| Sundry | 4 | 2 | 2 |
| Total other payables | 505 | 1,002 | (497) |

Accrued expenses

Accrued expenses amount to € 1,184 thousand (€ 1,279 thousand at December 31, 2003) and include interest expenses on borrowings from banks (€ 632 thousand) and expenses on interest rate swaps and zero cost collars (€ 552 thousand) accrued to December 31, 2004.

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

Guarantees granted – Sureties issued on behalf of subsidiaries

At December 31, 2004, sureties granted in the past by IFI amount to €4,128 thousand and refer to F.I.G.C., Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti, on behalf of the Juventus Football Club.

The decrease of €27,875 thousand compared to December 31, 2003 is due to the sureties that expired (€24,256 thousand) or were reduced (€3,619 thousand) during the year.

The sureties, remunerated at market rates, will expire in 2005.

Commitments

| € in thousands | 12/31/2004 | 12/31/2003 | Change |
|--|----------------|----------------|-----------------|
| Commitments with leading banking institutions relating to transactions to hedge interest rate fluctuations on bank debt due in 2005 and 2007 (a) | 160,000 | 170,000 | (10,000) |
| Residual commitment to invest in TLcom I | 1,500 | 3,000 | (1,500) |
| Residual commitment to subscribe to Emittenti Titoli's capital increase | 93 | 93 | 0 |
| Commitment to sell 47,500 IFIL ordinary shares | 0 | 424 | (424) |
| Total commitments | 161,593 | 173,517 | (11,924) |

(a) The transactions in derivative financial instruments are used exclusively to hedge the risk of interest rate fluctuations and are therefore not valued separately.

Other memorandum accounts – Securities held in deposit by third parties

These amount to €34,190 thousand and refer to 3,418,242 Exor Group S.A. ordinary shares and 2,886 Deutsche Morgan Grenfell shares deposited at banks.

Other memorandum accounts – Third-party assets held by the company

These amount to €86,450 thousand and refer to 86,450,000 IFI ordinary shares owned by the parent company Giovanni Agnelli e C. S.a.p.az..

ANALYSIS OF THE INDIVIDUAL ITEMS OF THE STATEMENT OF OPERATIONS

Value of production – Revenues from sales and services

| € in thousands | 2004 | 2003 | Change |
|---|--------------|--------------|-------------|
| Services rendered to subsidiaries, associated companies and parent company: | | | |
| - Exor Group S.A. | 207 | 92 | 115 |
| - Juventus Football Club S.p.A. | 54 | 223 | (169) |
| - Giovanni Agnelli e C. S.a.p.az. (parent company) | 33 | 0 | 33 |
| - IFIL S.p.A. | 25 | 0 | 25 |
| Services rendered to Fiat Sava S.p.A. | 620 | 620 | 0 |
| Services rendered to third parties | 70 | 125 | (55) |
| Total revenues from sales and services | 1,009 | 1,060 | (51) |

The services rendered to Fiat Sava consist of the custody of receivables (€ 1,223.5 million) which guarantee the circulation of interest-bearing Sava Fiat bonds (the 2004 bond issue amounts to € 526 million).

Value of production – Other income and revenues

| € in thousands | 2004 | 2003 | Change |
|--|------------|------------|-----------|
| Cost recoveries from subsidiaries: | | | |
| - Fiat S.p.A. | 229 | 0 | 229 |
| - IFIL S.p.A. | 16 | 201 | (185) |
| - Soiem S.p.A. | 0 | 10 | (10) |
| | 245 | 211 | 34 |
| Compensation for posts held by IFI employees in the following companies: | | | |
| - SANPAOLO IMI S.p.A. | 129 | 99 | 30 |
| - Neos S.p.A. | 9 | 0 | 9 |
| - IFIL S.p.A. | 2 | 0 | 2 |
| - Welcome Travel Group S.p.A. | 1 | 20 | (19) |
| - Fiat S.p.A. | 0 | 20 | (20) |
| | 141 | 139 | 2 |
| Sundry | 120 | 107 | 13 |
| Total other income and revenues | 506 | 457 | 49 |

Costs of production – Raw materials, supplies and merchandise

These costs total € 43 thousand (€ 54 thousand in 2003) and refer to the purchase of stationery and supplies, printed forms and gifts.

Costs of production – Services

Services total € 1,994 thousand (€ 4,478 thousand in 2003, of which € 1,760 thousand had been for nonrecurring expenses connected with the Reorganization Plan of the Group and the capital stock increase).

Details of the main services are as follows:

| € in thousands | 2004 | 2003 | Change |
|---|--------------|-------|---------|
| Consulting and services rendered by: | | | |
| - Third parties | 544 | 1,750 | (1,206) |
| - Soiem S.p.A. (subsidiary) | 262 | 562 | (300) |
| - IFIL S.p.A. (subsidiary) | 70 | 0 | 70 |
| | 876 | 2,312 | (1,436) |
| Compensation to corporate boards | | | |
| - Board of Directors | 454 | 977 | (523) |
| - Board of Statutory Auditors | 146 | 146 | 0 |
| | 600 | 1,123 | (523) |
| Office management and security | 190 | 384 | (194) |
| Vehicle maintenance, office equipment and insurance | 115 | 183 | (68) |
| Mailing and similar expenses | 12 | 14 | (2) |
| Travel and entertainment | 58 | 136 | (78) |
| Bank charges and fees | 43 | 208 | (165) |
| Audit fees | 42 | 42 | 0 |
| Employee expenses | 28 | 32 | (4) |
| Other expenses | 30 | 44 | (14) |
| Total services | 1,994 | 4,478 | (2,484) |

Costs of production – Leases and rentals

These amount to € 382 thousand (€ 803 thousand in 2003) and include the rent on the Turin headquarters (€ 148 thousand to the subsidiary company Soiem S.p.A.), leases and expenses of the Rome headquarters (€ 67 thousand), leases for office machines, for cars in the company fleet and other rentals (€ 167 thousand).

Costs of production – Personnel

These total € 2,516 thousand (€ 2,714 thousand in 2003) and show a decrease of € 198 thousand due to the reduction in the average number of staff (from 18 to 16 employees).

Other costs include the contribution (€ 82 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 2004, employees number 15 (11 at the end of 2003).
The average number of employees in 2004 was 16, summarized by category as follows:

| | 2004 | 2003 | Change |
|------------------------------------|-----------|-----------|------------|
| Managers | 2 | 3 | (1) |
| Management staff | 4 | 5 | (1) |
| Clerks | 7 | 8 | (1) |
| Messengers | 3 | 2 | 1 |
| Average number of employees | 16 | 18 | (2) |

Costs of production – Other operating costs

Other operating costs total € 591 thousand (€ 1,611 thousand in 2003) and show a decrease of € 1,020 thousand compared to 2003. Details are as follows:

| € in thousands | 2004 | 2003 | Change |
|--|------------|--------------------|----------------|
| Donations to non-profit and cultural organizations | 219 | 357 | (138) |
| Notary and corporate charges | 105 | 152 | (47) |
| Indirect taxes and duties | 73 | 831 ^(a) | (758) |
| Publication of annual, first-half and quarterly financial statements | 57 | 86 | (29) |
| Association dues | 53 | 46 | 7 |
| Books, newspapers and magazines | 24 | 40 | (16) |
| Ads | 13 | 81 | (68) |
| Sundry | 47 | 18 | 29 |
| Total other operating costs | 591 | 1,611 | (1,020) |

(a) Including nonrecurring expenses relating to nondeductible VAT for € 282 thousand.

Donations to non-profit and cultural organizations in 2004 were paid from the portion of prior years' profits to which the Board of Directors is entitled, according to the bylaws, and which it waived.

Dividends

Details are as follows:

| € in thousands | 2004 | 2003 | Change |
|-----------------------------------|---------------|--------------------|---------------|
| Subsidiaries | | | |
| IFIL S.p.A. (ordinary shares) | 39,915 | 0 | 39,915 |
| Associated companies | | | |
| Exor Group S.A. (ordinary shares) | 10,596 | 4,444 | 6,152 |
| Other companies | | | |
| Emittenti Titoli S.p.A. | 88 | 202 ^(a) | (114) |
| Total | 50,599 | 4,646 | 45,953 |

(a) Including € 72 thousand relating to tax credits.

Gains on sale of investments in other companies

These total € 19 thousand and come from the sale of 193,000 Emittenti Titoli shares. In 2003, this caption had included the gain on the contribution of the investment in SANPAOLO IMI to IFIL (€ 19,045 thousand).

Other financial income – Other income

These total € 237 thousand (€ 11 thousand in 2003) and refer to interest income on receivables from the tax authorities (€ 236 thousand) and bank interest income.

Interest and other financial expenses

Details are as follows:

| € in thousands | 2004 | 2003 | Change |
|---|---------------|---------------|----------------|
| Interest expense on loan from parent company | | | |
| - Giovanni Agnelli e C. S.a.p.az. | 619 | 656 | (37) |
| Others | | | |
| - interest expenses on borrowings from banks | 6,327 | 10,008 | (3,681) |
| - expenses relating to hedges of interest rate fluctuations | 4,045 | 3,647 | 398 |
| - sundry bank fees | 744 | 641 | 103 |
| - accrual for sundry financial risks | 1,500 | 200 | 1,300 |
| Interest expense on loans from subsidiaries | 0 | 66 | (66) |
| Total interest and other financial expenses | 13,235 | 15,218 | (1,983) |

Extraordinary income and expenses

Extraordinary income amounts to € 146 thousand and € 113 thousand of that amount relates to the release of the current income tax reserve in excess of requirements and € 33 thousand to prior period income.

Extraordinary expenses of € 32 thousand refer entirely to prior period expenses.

Income taxes, current and deferred

The taxable base according to tax laws did not generate any current income tax expenses for the year 2004 and resulted in the release of € 3,955 thousand of excess deferred taxes provided in previous years. Since reasonable certainty of future recovery is not assured, no deferred tax assets have been booked on the tax losses for the years 2003 and 2004 (€ 167 million, in total) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 53 million, in total). Details are as follows:

| € in millions | 2004 | | 2003 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Temporary differences | Tax effect (33% rate) | Temporary differences | Tax effect (34% rate) |
| Deferred tax benefit | | - | | - |
| Deferred tax expense | | | | |
| Gains realized in the years 1999 (€ 49 million), 2000 (€ 39 million) and in 2001 (€ 21 million) subject to taxes over 5 years | 12 | 4 | 22 | 7 |
| Rate adjustment (from 34% to 33%) | | | 16 | |
| Total deferred income taxes | | 4 | | 7 |
| Net deferred income taxes | | 4 | | 7 |
| Temporary differences excluded from the calculation of deferred income taxes | | | | |
| Tax losses carried forward: | | | | |
| - year 2003 | 147 | | 147 | |
| - year 2004 | 20 | | | |
| Total tax losses carried forward | 167 | | 147 | |
| Writedown of financial fixed assets deductible in future years | | | | |
| | 53 | | 79 | |

The reconciliation between pre-tax income and taxable income is presented in the following table:

| € in millions | 2004 | 2003 |
|---|-------------|--------------|
| IRES taxes | | |
| Pre-tax income | 34 | 7 |
| Increases: | | |
| - permanent differences | 9 | 1 |
| - gains on investments deferred in prior years | 12 | 22 |
| Total increases | 21 | 23 |
| Decreases: | | |
| - 95% of dividends collected | (48) | (4) |
| - portion of writedown of investments deductible over 5 years | (26) | (27) |
| - other differences | (1) | (146) |
| Total decreases | (75) | (177) |
| Taxable loss | (20) | (147) |

Taxable income for the computation of IRAP taxes is negative.

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 (b) | Non-monetary benefits | Bonuses and other incentives | Other compensation |
|--|-------------------|-----------------|----------------------------------|--------------------------------|-----------------------|------------------------------|--------------------|
| Directors in office | | | | | | | |
| Gabetti Gianluigi | Chairman | 1/1 - 12/31 (d) | 2006 | 250 | | | 1,639 (c) |
| Teodorani-Fabbri Pio | Deputy Chairman | 1/1 - 12/31 (e) | 2006 | 100 (f) | | | 8 (c) |
| Avogadro di Collobiano Annibale | Director | 1/1 - 12/31 | 2006 | | | | |
| Elkann John | Director | 1/1 - 12/31 | 2006 | | | | 428 (c) |
| Ferrero Ventimiglia Luca | Director | 6/23 - 12/31 | 2005 | | | | |
| Galateri di Genola Gabriele | Director | 1/1 - 12/31 | 2006 | | | | |
| Nasi Andrea | Director | 1/1 - 12/31 | 2006 | | | | |
| Rattazzi Lupo | Director | 1/1 - 12/31 | 2006 | | | | 4 (c) |
| Grande Stevens Franzo | Director | 1/1 - 12/31 | 2006 | | | | 312 (c) |
| Directors no longer in office | | | | | | | |
| Agnelli Umberto | Chairman | 1/1 - 5/27 | | 101 | | | 796 (c) |
| Total Board of Directors | | | | 451 | | | 3,187 |
| Board of Statutory Auditors | | | | | | | |
| Ferrero Cesare | Chairman | 1/1 - 12/31 | 2006 | 62 | | | 135 (c) |
| Giorgi Giorgio | Statutory Auditor | 1/1 - 12/31 | 2006 | 42 | | | 23 (c) |
| Jona Celesia Lionello | Statutory Auditor | 1/1 - 12/31 | 2006 | 42 | | | |
| Total Board of Statutory Auditors | | | | 146 | | | 158 |
| General Manager | | | | | | | |
| Marrone Virgilio | General Manager | 1/1 - 12/31 | - | | 58 | | 427 (g) |

- (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. Luca Ferrero Ventimiglia was coopted by the Board of Directors' Meeting held on June 23, 2004; in accordance with the law, he will remain in office until the next Stockholders' Meeting.
- (b) The amounts indicated refer to special compensation correlated to the post and functions carried out.
- (c) Compensation for the posts held in subsidiaries.
- (d) Chairman from June 11, 2004 and Deputy Chairman prior to that date.
- (e) Deputy Chairman from June 11, 2004.
- (f) Compensation as the person in charge of IFI headquarters in Rome.
- (g) Employment income.

Other information - 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 beginning of year | | | Options held during year | | | Options held at end of year | | |
|---|-----------|-----------------------------------|------------------------------|--------------------------------|--------------------------|------------------------------|--------------------------------|-----------------------------|------------------------------|--------------------------------|
| | | Number of options | Average exercise price | Exercise period (mth/yr) | Number of options | Average exercise price | Exercise period (mth/yr) | Number of options | Average exercise price | Exercise period (mth/yr) |
| Gabetti Gianluigi Chairman | IFIL ord. | 532,000 | 2.28 | 1/05-12/06 | | | | 532,000 | 2.28 | 1/05-12/06 |
| Galateri di Genola Gabriele Director | IFIL ord. | 746,600 | 5.80 | 1/04 - 12/06 | 70,000 | 7.93 | 4/2004 | 676,600 | 5.58 | 1/05-12/06 |
| | Alpitour | 153,500 | 6.73 | 08/2006 | | | | 153,500 | 6.73 | 08/2006 |
| Marrone Virgilio General Manager | IFIL ord. | 266,450 | 4.95 | 1/04-12/06 | 27,250 | 7.93 | 4/2004 | 239,200 | 4.62 | 1/05-12/06 |

In 2004, no options were exercised and the options relating to the IFIL 1998 stock option plan expired.

Turin, March 30, 2005

For the Board of Directors
The Chairman
Gianluigi Gabetti

ANNEXES TO THE NOTES TO THE STATUTORY FINANCIAL STATEMENTS

| | |
|--|---|
| Changes in investments (Recommendation Consob No. 94001437 dated February 23, 1994) | 1 |
| List of investments in subsidiaries and associated companies at December 31, 2004 | 2 |
| Comparison of carrying values and market prices of listed financial fixed assets (Recommendation Consob No. 94001437 dated February 23, 1994) | 3 |
| Statement of changes in stockholders' equity for the years 2002, 2003 and 2004 | 4 |
| Statement of cash flows for the years 2004 and 2003 | 5 |
| Reclassified statement of operations according to the format recommended by Consob (Recommendation Consob No. 94001437 dated February 23, 1994) | 6 |
| Revaluations made to fixed assets existing at December 31, 2004 (Law No. 72, art. 10 of March 19, 1983) | 7 |

Turin, March 30, 2005

For the Board of Directors
The Chairman
Gianluigi Gabetti

CHANGE IN INVESTMENTS (RECOMMENDATION CONSOB NO. 94001437 DATED FEBRUARY 23, 1994)

| | Balance at December 31, 2003 | | | |
|------------------------------------|------------------------------|------------------------|------------------|------------------|
| | Number of shares/warrants | % of class of stock | Carrying value | |
| | | | Per share (€) | Total (€/000) |
| SUBSIDIARIES | | | | |
| IFIL S.p.A. - ordinary shares | 643,783,399 | 62.03 | 2.60 | 1,676,162 |
| ASSOCIATED COMPANIES | | | | |
| EXOR GROUP S.A. - ordinary shares | 3,418,242 | 29.29 | 30.00 | 102,559 |
| OTHER COMPANIES | | | | |
| EMITTENTI TITOLI S.p.A. | 720,000 | 8.78 | 0.52 | 371 |
| DEUTSCHE MORGAN GRENFELL C.I. S.A. | | | | |
| - ordinary shares | 1,058 | 1.11 | 513.89 | 544 |
| - preferred shares (b) | 2,000 | 1.28 | 2.58 | 5 |
| CONSORTIUMS (c) | | | | 3 |
| Total other companies | | | | 923 |
| TOTAL INVESTMENTS | | | | 1,779,644 |

Other companies include the investment in Tlcom I (1 quota for € 100).

- (a) Net of the writedown of € 73,473 million made in 2002.
(b) Including 1,114 shares, non representative of capital stock.
(c) Consortiums Fiat Media Center, Orione and Conai.

| Change during 2004 | | | | Balance at December 31, 2004 | | | |
|--------------------|------------------------|------------------|------------------------|------------------------------|---------------------|----------------|----------------------|
| Increase | | Decrease | | Number of shares | % of class of stock | Carrying value | |
| Number of shares | Carrying value (€/000) | Number of shares | Carrying value (€/000) | | | Per share (€) | Total (€/000) |
| | | | | 643,783,399 | 62.03 | 2.60 | 1,676,162 (a) |
| | | | | 3,418,242 | 29.29 | 30.00 | 102,559 |
| | | 193,000 | 99 | 527,000 | 6.43 | 0.52 | 272 |
| | | 172 | 89 | 886 | 0.93 | 513.89 | 455 |
| | | | | 2,000 | 1.28 | 2.58 | 5 |
| | | | | | | | 3 |
| | 0 | | 188 | | | | 735 |
| | 0 | | 188 | | | | 1,779,456 |

LIST OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES AT DECEMBER 31, 2004

| | Capital stock | | | |
|---|----------------------|----------|--------------|----------------------|
| | Number of shares | Currency | Par value | Amount |
| SUBSIDIARIES | | | | |
| IFIL Investments S.p.A. - Turin (Italy) | | | | |
| - 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 | | | | |
| EXOR GROUP S.A. - Luxembourg | | | | |
| - ordinary shares | 11,670,050 | Euro | 10 | 116,700,500 |
| - preferred shares | 4,110 | Euro | 10 | 41,100 |
| | <u>11,674,160</u> | | | <u>116,741,600</u> |

(a) Figures relating to the 2004 consolidated financial statements.

| IFI's investment | | | | | | |
|------------------|----------------|----------------|----------------|---------------|-------------------------------------|----------------------------------|
| Number of shares | % ownership of | | Carrying value | | Stockholders' equity (a) (€/000) | Net income/(loss) (a) (€/000) |
| | Cap. Stock | Class of stock | Per share (€) | Total (€/000) | | |
| 643,783,399 | 59.88 | 62.03 | 2.60 | 1,676,162 | 3,916,800 | 119,000 |
| 3,418,242 | 29.28 | 29.29 | 30.00 | 102,559 | 668,348 | 92,634 |

**COMPARISON OF CARRYING VALUES AND MARKET PRICES OF LISTED FINANCIAL FIXED ASSETS
(RECOMMENDATION CONSOB NO. 94001437 DATED FEBRUARY 23, 1994)**

| | Balance at December 31, 2004 | | | Market prices at December 30, 2004 | | |
|-------------------------------|------------------------------|----------------|------------------|------------------------------------|------------------|--------------------|
| | Number | Carrying value | | Market prices at December 30, 2004 | | Difference (€/000) |
| | of shares | Per share (€) | Total (€/000) | Per share (€) | Total (€/000) | |
| IFIL S.p.A. - ordinary shares | 643,783,399 | 2.604 | 1,676,162 | 3.285 | 2,114,828 | 438,666 |
| IFI S.p.A. - preferred shares | 5,360,300 | 13.148 | 70,477 | 10.431 | 55,913 | (14,564) |

| Average market prices II half 2004 | | | Average market prices December 2004 | | |
|------------------------------------|---------------|--------------------|-------------------------------------|---------------|--------------------|
| Per share (€) | Total (€/000) | Difference (€/000) | Per share (€) | Total (€/000) | Difference (€/000) |
| 2.817 | 1,813,538 | 137,376 | 3.055 | 1,966,758 | 290,596 |
| 8.849 | 47,433 | (23,044) | 10.132 | 54,311 | (16,166) |

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS 2002, 2003 AND 2004

| € 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 |
| Ordinary stockholders' meeting on May 28, 2002 | | | | |
| - Appropriation of 2001 net income | | | | |
| . Dividends to stockholders | | | | |
| . Extraordinary reserve | | | | |
| - Revocation of resolution to purchase treasury stock of May 29, 2001 | | | | |
| - Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and 2357-ter 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 on 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 | | | | |
| - Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and art. 2357-ter of the Italian Civil Code | | | | |
| Board of Directors' Meeting on June 27, 2003 | | | | |
| - Capital stock increase with issue of 55,575,000 ordinary shares and 45,926,460 preferred shares at € 4.5 each of which € 1 of par value 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 2003 | | | | |
| Changes in 2003 | 101,501 | 320,733 | 0 | 0 |
| BALANCE AT DECEMBER 31, 2003 | 163,251 | 386,347 | 81,362 | 14,789 |
| Ordinary stockholders' meeting on June 23, 2004 | | | | |
| - Adjustment to legal reserve to one-fifth of capital stock | | | | 17,861 |
| - Appropriation of 2003 net income | | | | |
| - Revocation of resolution to purchase treasury stock of May 29, 2003 | | | | |
| - Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and art. 2357-ter of the Italian Civil Code | | | | |
| Statute-barred dividends | | | | |
| Net income 2004 | | | | |
| Changes in 2004 | 0 | 0 | 0 | 17,861 |
| BALANCE AT DECEMBER 31, 2004 | 163,251 | 386,347 | 81,362 | 32,650 |

| Treasury stock valuation reserve | Extraordinary reserve | Reserve for purchase of treasury stock | Retained earnings and other reserves | Net income (loss) for the year | Total |
|----------------------------------|-----------------------|--|--------------------------------------|--------------------------------|------------------|
| 117,208 | 559,352 | 147,093 | 191,730 | 116,901 | 1,355,799 |
| | | | | (34,030) | (34,030) |
| | 82,871 | | | (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 |
| | (17,861) | | | | 0 |
| | 14,666 | | | (14,666) | 0 |
| | 100,000 | (100,000) | | | 0 |
| | (120,000) | 120,000 | | | 0 |
| | 19 | | | | 19 |
| | | | | 37,707 | 37,707 |
| 0 | (23,176) | 20,000 | 0 | 23,041 | 37,726 |
| 70,477 | 712,905 | 120,000 | 0 | 37,707 | 1,604,699 |

STATEMENT OF CASH FLOWS FOR THE YEARS 2004 AND 2003

| (€ in thousands) | 2004 | 2003 |
|--|-----------------|------------------|
| A) Cash at January 1 | 64 | 230 |
| B) Cash flows provided by (used in) operating activities | | |
| Net income | 37,707 | 14,666 |
| Depreciation and amortization | 14 | 26 |
| (Gains) Losses on disposals of: | | |
| financial fixed assets | (19) | (22,623) |
| property, plant and equipment | (2) | (12) |
| (Purchase) Sale of receivables from the tax authorities | (516) | 0 |
| Net change in employee severance indemnities | 195 | (1,010) |
| Change in working capital: | | |
| trade receivables | (48) | 63 |
| trade payables | (1,232) | (115) |
| reserve for income taxes and other reserves | (2,568) | (7,463) |
| other assets and liabilities | (812) | (696) |
| | 32,719 | (17,164) |
| C) Cash flows provided by (used in) investment activities | | |
| Investments in fixed assets: | | |
| financial fixed assets | (1,500) | (309,512) |
| intangible fixed assets | (9) | 0 |
| Proceeds from the sale of fixed assets: | | |
| financial fixed assets | 207 | 0 |
| property, plant and equipment | 3 | 12 |
| | (1,299) | (309,500) |
| D) Cash flows provided by (used in) financial activities | | |
| Increase (repayment) of loans | (182,700) | 42,700 |
| (Repayment) Increase in loans from subsidiaries and parent company | 9,010 | (28,246) |
| Net change in borrowings from banks | 142,194 | (145,413) |
| | (31,496) | (130,959) |
| E) Cash flows provided by (used in) net equity movements | | |
| Capital stock increase | 0 | 457,440 |
| Other changes | 91 | 17 |
| | 91 | 457,457 |
| F) Net change in cash | 15 | (166) |
| G) Cash at December 31 | 79 | 64 |

RECLASSIFIED STATEMENT OF OPERATIONS ACCORDING TO THE FORMAT RECOMMENDED BY CONSOB (RECOMMENDATION CONSOB NO. 94001437 DATED FEBRUARY 23, 1994)

| (Amounts in €) | Year 2004 | Year 2003 | Change |
|--|---------------------|---------------------|--------------------|
| FINANCIAL INCOME AND EXPENSES | | | |
| Dividends relating to: | | | |
| subsidiaries | 39,914,571 | 0 | 39,914,571 |
| associated companies | 10,596,550 | 4,443,715 | 6,152,835 |
| other companies | 87,840 | 202,500 | (114,660) |
| Gains on sale of investments in: | | | |
| subsidiaries | 0 | 3,578,011 | (3,578,011) |
| other companies | 19,415 | 19,044,882 | (19,025,467) |
| | <u>50,618,376</u> | <u>27,269,108</u> | <u>23,349,268</u> |
| Other financial income from | | | |
| parent company | 43,081 | 0 | 43,081 |
| other | 237,442 | 10,874 | 226,568 |
| | <u>280,523</u> | <u>10,874</u> | <u>269,649</u> |
| Interest and other financial expenses from | | | |
| subsidiaries | 0 | (65,897) | 65,897 |
| parent company | (619,130) | (655,645) | 36,515 |
| other companies | (12,616,445) | (14,496,102) | 1,879,657 |
| | <u>(13,235,575)</u> | <u>(15,217,644)</u> | <u>1,982,069</u> |
| Foreign exchange gains and losses | (437) | 94 | (531) |
| TOTAL FINANCIAL INCOME AND EXPENSES | 37,662,887 | 12,062,432 | 25,600,455 |
| VALUE OF PRODUCTION | | | |
| Revenues from services | 1,008,667 | 1,060,113 | (51,446) |
| Other income and revenues | 505,848 | 456,385 | 49,463 |
| TOTAL VALUE OF PRODUCTION | 1,514,515 | 1,516,498 | (1,983) |
| OTHER OPERATING COSTS | | | |
| Raw materials, supplies and merchandise | (43,224) | (53,856) | 10,632 |
| Services | (1,993,747) | (4,478,347) | 2,484,600 |
| Leases and rentals | (382,236) | (803,326) | 421,090 |
| Personnel | | | |
| Salaries and wages | (1,486,020) | (1,715,921) | 229,901 |
| Social security contributions | (485,083) | (520,723) | 35,640 |
| Employee severance indemnities | (226,590) | (233,737) | 7,147 |
| Other costs | (317,889) | (243,196) | (74,693) |
| | <u>(2,515,582)</u> | <u>(2,713,577)</u> | <u>197,995</u> |
| Amortization, depreciation and writedowns | (13,557) | (25,556) | 11,999 |
| Other operating costs | (590,893) | (1,610,640) | 1,019,747 |
| TOTAL OTHER OPERATING COSTS | (5,539,239) | (9,685,302) | 4,146,063 |
| INCOME BEFORE EXTRAORDINARY INCOME AND EXPENSES AND TAXES | 33,638,163 | 3,893,628 | 29,744,535 |
| EXTRAORDINARY INCOME AND EXPENSES | | | |
| Income | 145,946 | 4,084,521 | (3,938,575) |
| Expenses | (31,573) | (881,319) | 849,746 |
| TOTAL EXTRAORDINARY INCOME AND EXPENSES | 114,373 | 3,203,202 | (3,088,829) |
| INCOME BEFORE TAXES | 33,752,536 | 7,096,830 | 26,655,706 |
| INCOME TAXES, CURRENT AND DEFERRED | 3,954,827 | 7,569,434 | (3,614,607) |
| NET INCOME | 37,707,363 | 14,666,264 | 23,041,099 |

**REVALUATIONS MADE TO FIXED ASSETS EXISTING AT DECEMBER 31, 2004
(LAW NO. 72, ART. 10 OF MARCH 19, 1983)**

| (€ in thousands) | Legal revaluations | |
|-----------------------------|--------------------|----------------|
| | Law No. 576 | Law No. 72 |
| | December 2, 1975 | 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

Dear 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 2004, the Board of Statutory Auditors has complied with the obligations required by art. 149 of 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 bylaws, 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 current organizational structure of the Company, insofar as we are responsible, appears to be adequate for the specific type of business and 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 extensive 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, which have been adopted in order to guarantee a sound and efficient management, are being followed, and, also for identifying, preventing and managing, 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.

As regards "Corporate Governance", the Directors refer to this subject in a specific report, as required by the Code of Self-discipline of listed companies.

The directives imposed on the subsidiaries by IFI S.p.A. as per art. 114, paragraph 2, of Legislative Decree No. 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 provided by the Directors in the Report on Operations are considered exhaustive and complete, also with respect to the status of the implementation of the systems and procedures for the application of the international accounting principles (Consob Communication DME/5015175 of March 10, 2005);
- 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 Auditors carried out on the company did not show atypical or unusual transactions;
- as for intercompany transactions, the Directors in their Report on Operations present and describe the numerous transactions for goods and services entered into with Group companies and/or related parties which have been carried out on the basis of reciprocal economic gain or 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 system appears adequate and effective;
- during 2004, the Board of Directors held seven meetings, which we attended, and the Board of Statutory Auditors held 15 meetings, five 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 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, for assistance activities in establishing the impact of the adoption of International Financial Reporting Standards, and the plan for the relative process of conversion to these Standards, for a fee of € 20 thousand.

As for the annual statutory financial statements, which show a net income of € 37,707,363, 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 motion 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, and proposes amendments to the Regulations for Stockholders' Meetings. As for our responsibility, we attest that both motions proposed to you agree with existing legislation.

Turin, April 28, 2005

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

Dear Stockholders,

The consolidated financial statements of IFI S.p.A. for the year ended December 31, 2004 – 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 net income of € 117 million, compared to a loss of € 130 million in the prior year. The consolidated financial statements were submitted to us within the terms of the law, together with the Report on Operations, and prepared in accordance with the provisions of Legislative Decree No. 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 records 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 for the audit of the 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 of 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 2004 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, April 28, 2005

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 OF FEBRUARY 24, 1998**
(Translation from the Original Issued in Italian)

**To the Stockholders 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, 2004. 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 10% of consolidated total assets and revenues representing 13% 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 our auditors' report dated May 14, 2004.

3. In our opinion, the financial statements of IFI – Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2004 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the Company's financial position and results of operations.

DELOITTE & TOUCHE S.p.A.

Signed by
Colin Johnston
Partner

Turin, Italy
April 8, 2005

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

**REPORT OF THE INDEPENDENT AUDITORS
ON THE CONSOLIDATED FINANCIAL STATEMENTS
PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998
(Translation from the Original Issued in Italian)**

**To the Stockholders 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 (the IFI Group) as of and for the year ended December 31, 2004. 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 10% of consolidated total assets and revenues representing 13% 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 our auditors' report dated May 14, 2004.

3. In our opinion, the consolidated financial statements of the IFI Group as of and for the year ended December 31, 2004 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the Group's financial position and results of operations.

DELOITTE & TOUCHE S.p.A.

Signed by
Colin Johnston
Partner

Turin, Italy
April 8, 2005

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

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma
Torino Treviso Verona Vicenza

Member of
Deloitte Touche Tohmatsu

Sede Legale: Via Tortona, 25 - 20144 Milano
Capitale Sociale: versato Euro 10.275.030,00 - 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 name of the company, 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 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|------------|---------|--------------------------------|----------|-----------------------------|------------------|-----------------------|-----------------------|
| IFI S.p.A. | ITALY | 163,251,460 | EUR | | | | |

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Holding companies - diversified

| | | | | | | | |
|-------------------------|-------|---------------|-----|------------------------------|-----------------------------|--------|--------|
| IFIL INVESTMENTS S.p.A. | ITALY | 1,075,195,737 | EUR | Societa' per Azioni ISTITUTO | | | |
| | | | | 60.55 | FINANZIARIO INDUSTRIALE | 59.876 | 62.033 |
| | | | | | IFIL INVESTMENTS 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 | 116,741,600 | EUR | Societa' per Azioni ISTITUTO | | | |
| | | | | 29.30 | FINANZIARIO INDUSTRIALE | 29.280 | 29.291 |
| | | | | | EXOR GROUP S.A. (*) | 0.031 | 0.031 |
| | | | | | LONG POND BV | 0.035 | 0.000 |

(*) Voting suspended.

For purposes of a clearer presentation, the investments held through IFIL are shown separately.

INVESTMENTS HELD THROUGH IFIL S.p.A. (60.55%-owned subsidiary)

| Name | Country | Capital stock at 12/31/2004 | 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. (a) | ITALY | 4,918,113,540 | EUR | 27.62 | IFIL INVESTMENTS S.p.A. FIAT S.p.A. (*) | 27.619 0.446 | 30.061 0.548 |
| IFIL INVESTISSEMENTS S.A. | LUXEMBOURG | 166,611,300 | EUR | 100.00 | IFIL INVESTMENTS S.p.A. IFIL INVESTMENT HOLDING N.V. | 79.816 20.184 | 79.816 20.184 |
| IFIL INVESTMENT HOLDING N.V. | NETHERLANDS | 54,000,000 | EUR | 100.00 | IFIL INVESTMENTS S.p.A. | 100.000 | 100.000 |
| NHT NEW HOLDING FOR TOURISM B.V. (b) | NETHERLANDS | 32,980,000 | EUR | 100.00 | IFIL INVESTISSEMENTS S.A. IFIL FINANCE B.V. | 69.679 30.321 | 69.679 30.321 |
| MEDITERRANEAN CAPITAL (ex-IFIL CAPITAL B.V.) (b) | NETHERLANDS | 11,000,000 | EUR | 100.00 | IFIL INVESTMENT HOLDING N.V. | 100.000 | 100.000 |
| IFIL FINANCE B.V. (b) | NETHERLANDS | 10,000,000 | EUR | 100.00 | IFIL INVESTISSEMENTS S.A. | 100.000 | 100.000 |
| IFIL NEW BUSINESS S.r.l. | ITALY | 15,000 | EUR | 100.00 | IFIL INVESTMENTS S.p.A. | 100.000 | 100.000 |
| WORMS & CIE S.A. A DIRECTOIRE ET CONSEIL DE SURVEILLANCE (a) | FRANCE | 161,544,967 | EUR | 52.96 | IFIL INVESTISSEMENTS S.A. WORMS & CIE S.A. A DIRECTOIRE ET CONSEIL DE SURVEILLANCE (*) | 52.965 0.000 | 52.965 (**) |
| Financing services | | | | | | | |
| 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 |
| IFIL USA INC. | U.S.A. | 500,000 | USD | 100.00 | IFIL INVESTISSEMENTS S.A. | 100.000 | 100.000 |
| IFIL INVESTMENTS L.L.C. | U.S.A. | N/A | USD | 100.00 | IFIL INVESTISSEMENTS S.A. | 100.000 | 100.000 |
| IFIL CAPITAL PARTNERS L.P. | U.S.A. | N/A | USD | 100.00 | IFIL INVESTISSEMENTS S.A. IFIL AMERICA L.P. | 99.000 1.000 | 99.000 1.000 |
| IFIL AMERICA L.P. | U.S.A. | N/A | USD | 100.00 | IFIL INVESTISSEMENTS S.A. IFIL INVESTMENTS L.L.C. | 99.000 1.000 | 99.000 1.000 |
| Tourism and Hotel activities | | | | | | | |
| ALPITOUR S.p.A. (a) | ITALY | 17,725,000 | EUR | 100.00 | NHT NEW HOLDING FOR TOURISM B.V. | 100.000 | 100.000 |
| Services | | | | | | | |
| SADCO S.A. | SWITZERLAND | 300,000 | CHF | 100.00 | IFIL INVESTISSEMENTS S.A. | 100.000 | 100.000 |
| IFIL ASIA LIMITED | CHINA (People's Rep. Pop) | 1 | HKD | 100.00 | IFIL INVESTISSEMENTS S.A. | 100.000 | 100.000 |
| SOIEM S.p.A. | ITALY | 9,125,000 | EUR | 100.00 | IFIL INVESTMENTS S.p.A. | 100.000 | 100.000 |
| SUBSIDIARIES VALUED BY THE EQUITY METHOD | | | | | | | |
| Football Club | | | | | | | |
| JUVENTUS FOOTBALL CLUB S.p.A. | ITALY | 12,093,200 | EUR | 61.69 | IFIL INVESTMENTS S.p.A. | 61.692 | 61.692 |
| SUBSIDIARIES VALUED AT COST | | | | | | | |
| Lease of own real estate and sublease | | | | | | | |
| CAMPI DI VINOVO S.p.A. | ITALY | 1,300,000 | EUR | - | JUVENTUS FOOTBALL CLUB S.p.A. CAMPI DI VINOVO S.p.A. (*) | 69.800 3.000 | 69.800 3.000 |
| ASSOCIATED COMPANIES VALUED BY THE EQUITY METHOD | | | | | | | |
| Miscellaneous and Holding companies | | | | | | | |
| EUROFIND TEXTILE S.A. (c) | LUXEMBOURG | 120,000 | EUR | 50.00 | IFIL INVESTISSEMENTS S.A. | 50.000 | 50.000 |
| EUFIN INVESTMENTS UNLIMITED | UNITED KINGDOM | 243,100 | EUR | 50.00 | EUROFIND TEXTILE S.A. | 100.000 | 100.000 |
| ASSOCIATED COMPANIES VALUED AT COST | | | | | | | |
| Miscellaneous and Holding companies | | | | | | | |
| EUROMEDIA LUXEMBOURG ONE S.A. | LUXEMBOURG | 44,887,500 | 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 |

(a) For purposes of a clearer presentation, the investments held through FIAT, Worms & Cie and Alpitour are shown separately.

(b) Companies put or to be put into a wind-up.

(c) Company set up on December 13, 2004, following the proportional total spin-off of Eurofind.

(*) Voting suspended.

(**) 160 shares held by the Company.

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 at 12/31/2004 | Currency | % of Group consolidation Interest held by | % of interest held | % of voting rights |
|--|-------------------|-----------------|-----------------------------|----------|---|--|--------------------|
| Subsidiaries consolidated on a line-by-line basis | | | | | | | |
| Automobiles | | | | | | | |
| Fiat Auto Holdings B.V. | Amsterdam | Netherlands | 1,000,000 | EUR | 90,00 | Fiat Partecipazioni S.p.A. | 90,000 |
| Banco Fidis de Investimento SA | Sao Paolo | Brazil | 116,235,465 | BRL | 89,97 | Fidis S.p.A. | 98,970 |
| | | | | | | Fiat Automoveis S.A. - FIASA | 1,000 |
| B.D.C. S.A. | Brussels | Belgium | 23,651,294 | EUR | 90,00 | Fiat Auto (Belgio) S.A. | 99,998 |
| | | | | | | Fiat Auto (Suisse) S.A. | 0,002 |
| Clickar Assistance S.r.l. | Turin | Italy | 335,632 | EUR | 90,00 | Fidis S.p.A. | 100,000 |
| Easy Drive S.r.l. | Turin | Italy | 10,400 | EUR | 90,00 | Fiat Auto S.p.A. | 99,000 |
| | | | | | | Fiat Center Italia S.p.a. | 1,000 |
| FAL Fleet Services S.A.S. | Trappes | France | 3,000,000 | EUR | 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 | 20,951,220 | EUR | 90,00 | Fiat Finance Netherlands B.V. | 99,998 |
| | | | | | | Fiat Auto (Suisse) S.A. | 0,002 |
| Fiat Auto Contracts Ltd | Slough Berkshire | United Kingdom | 15,500,000 | GBP | 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 | 60,696,601 | EUR | 90,00 | Fiat Finance Netherlands B.V. | 99,998 |
| | | | | | | Fiat Auto (Suisse) S.A. | 0,002 |
| Fiat Auto Financial Services (Wholesale) Ltd. | Slough Berkshire | United Kingdom | 3,500,000 | GBP | 90,00 | Fidis S.p.A. | 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 Auto Holdings B.V. | 100,000 |
| Fiat Auto Poland S.A. | Bielsko-Biala | Poland | 660,334,600 | PLN | 90,00 | Fiat Auto S.p.A. | 100,000 |
| 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 | Sunninghill | South Africa | 540 | 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. | 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 | 3,718,500 | EUR | 90,00 | Fidis S.p.A. | 99,999 |
| Fiat Credito Compania Financiera S.A. | Buenos Aires | Argentina | 94,107,977 | 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 | Fidis S.p.A. | 99,995 |
| | | | | | | Fiat Finance Netherlands B.V. | 0,005 |
| Fiat Finance Netherlands B.V. | Amsterdam | Netherlands | 690,000,000 | EUR | 90,00 | Fiat Auto S.p.A. | 100,000 |
| Fiat Handlerservice 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 | 4,477,502,700 | INR | 89,78 | Fiat India Automobiles Private Limited | 79,081 |
| | | | | | | Fiat Auto S.p.A. | 20,673 |
| | | | | | | | 19,438 |
| 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 | 90,01 | Fidis S.p.A. | 99,950 |
| | | | | | | Fiat Polska Sp. z o.o. | 0,050 |
| Fidis Finance Polska Sp. z o.o. | Warsaw | Poland | 10,000,000 | PLN | 90,00 | Fidis S.p.A. | 99,980 |
| | | | | | | Fiat Polska Sp. z o.o. | 0,020 |
| Fidis Hungary KFT | Budapest | Hungary | 13,000 | EUR | 90,00 | Fidis S.p.A. | 100,000 |
| Fidis Renting Italia S.p.A. | Turin | Italy | 5,800,000 | 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 | 3,955,986 | EUR | 90,00 | Fidis Renting Italia 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 at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|---|-----------------------|------------------------|-----------------------------|----------|--------------------------|---|--|--------------------|
| Inmap 2000 Espana S.L. | Alcalá De Henares | Spain | 8,237,907 | 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 | |
| Italian Automotive Center S.A. | Brussels | Belgium | 19,749,654 | EUR | 90.00 | B.D.C. S.A. | 100.000 | |
| Sata-Società Automobilitistica 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 | |
| Sofice-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 | 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 SA | Alcalá De Henares | Spain | 5,108,799 | EUR | 90.00 | Fiat Auto Espana S.A. Fiat Finance Holding S.A. | 99.999 0.001 | |
| Agricultural and Construction Equipment | | | | | | | | |
| CNH Global N.V. | Amsterdam | Netherlands | 319,359,348 | EUR | 84.54 | Fiat Netherlands Holding N.V. CNH Global N.V. | 84.500 0.109 | 84.542 0.000 |
| Austoft Industries Limited | Bundaberg | Australia | 16,353,225 | AUD | 84.54 | CNH Australia Pty Limited | 100.000 | |
| Banco CNH Capital S.A. | Curitiba | Brazil | 252,285,242 | BRL | 84.54 | CNH Global N.V. CNH Latin America Ltda. | 59.760 40.240 | |
| Bli Group Inc. | Wilmington | U.S.A. | 1,000 | USD | 84.54 | CNH America LLC | 100.000 | |
| Blue Leaf I.P. Inc. | Wilmington | U.S.A. | 1,000 | USD | 84.54 | Bli Group Inc. | 100.000 | |
| Case Brazil Holdings Inc. | Wilmington | U.S.A. | 1,000 | USD | 84.54 | CNH America LLC | 100.000 | |
| Case Canada Receivables Inc. | Calgary | Canada | 1 | CAD | 84.54 | CNH Capital America LLC | 100.000 | |
| Case Credit Australia Investments Pty Ltd | St. Marys | Australia | 187,360,048 | AUD | 84.54 | CNH Australia Pty Limited | 100.000 | |
| Case Credit Holdings Limited | Wilmington | U.S.A. | 5 | USD | 84.54 | CNH Capital America LLC | 100.000 | |
| Case Credit Ltd. | Calgary | Canada | 1 | CAD | 84.54 | Case Credit Holdings Limited CNH Canada Ltd. | 99.500 0.500 | |
| Case Equipment Holdings Limited | Wilmington | U.S.A. | 5 | USD | 84.54 | CNH America LLC | 100.000 | |
| Case Equipment International Corporation | Wilmington | U.S.A. | 1,000 | USD | 84.54 | CNH America LLC | 100.000 | |
| Case Europe S.a.r.l. | Roissy | France | 7,622 | EUR | 84.54 | CNH America LLC | 100.000 | |
| Case Harvesting Systems GmbH | Neustadt | Germany | 281,211 | EUR | 84.54 | CNH America LLC | 100.000 | |
| Case India Limited | Wilmington | U.S.A. | 5 | USD | 84.54 | CNH America LLC | 100.000 | |
| Case International Marketing Inc. | Wilmington | U.S.A. | 5 | USD | 84.54 | CNH America LLC | 100.000 | |
| Case LBX Holdings Inc. | Wilmington | U.S.A. | 5 | USD | 84.54 | CNH America LLC | 100.000 | |
| Case Machinery (Shanghai) Co. Ltd. | Shanghai | People's Rep. of China | 2,250,000 | USD | 84.54 | CNH America LLC | 100.000 | |
| Case New Holland Inc. | Wilmington | U.S.A. | 5 | USD | 84.54 | CNH Global N.V. | 100.000 | |
| Case United Kingdom Limited | Basilidon | United Kingdom | 3,763,618 | GBP | 84.54 | CNH America LLC | 100.000 | |
| Case Wholesale Receivables Inc. | Wilmington | U.S.A. | 1,000 | USD | 84.54 | CNH Capital America LLC | 100.000 | |
| CNH America LLC | Wilmington | U.S.A. | 0 | USD | 84.54 | Case New Holland Inc. | 100.000 | |
| CNH Argentina S.A. | Buenos Aires | Argentina | 29,611,105 | ARS | 84.54 | New Holland Holdings Argentina S.A. CNH Latin America Ltda. | 80.654 19.346 | |
| CNH Australia Pty Limited | St. Marys | Australia | 306,785,439 | AUD | 84.54 | CNH Global N.V. | 100.000 | |
| CNH Baumaschinen GmbH | Berlin | Germany | 61,355,030 | EUR | 84.54 | CNH International S.A. | 100.000 | |
| CNH Belgium N.V. | Zedelgem | Belgium | 27,268,300 | EUR | 84.54 | CNH International S.A. | 100.000 | |
| CNH Canada Ltd. | Toronto | Canada | 28,000,100 | CAD | 84.54 | CNH Global N.V. | 100.000 | |
| CNH Capital America LLC | Wilmington | U.S.A. | 0 | USD | 84.54 | CNH Capital LLC | 100.000 | |
| CNH Capital Australia Pty Limited | St. Marys | Australia | 83,248,874 | AUD | 84.54 | CNH Australia Pty Limited | 100.000 | |
| CNH Capital Benelux | Zedelgem | Belgium | 6,350,000 | EUR | 84.54 | CNH Global N.V. CNH Capital U.K. Ltd | 98.999 1.001 | |
| CNH Capital (Europe) plc | Dublin | Ireland | 38,100 | EUR | 84.54 | 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 | 84.54 | CNH Capital America LLC | 100.000 | |
| CNH Capital LLC | Wilmington | U.S.A. | 0 | USD | 84.54 | CNH America LLC | 100.000 | |
| CNH Capital plc | Dublin | Ireland | 6,386,791 | EUR | 84.54 | CNH Global N.V. | 100.000 | |
| CNH Capital Receivables LLC | Wilmington | U.S.A. | 0 | USD | 84.54 | CNH Capital America LLC | 100.000 | |
| CNH Capital U.K. Ltd | Basilidon | United Kingdom | 10,000,001 | GBP | 84.54 | CNH Global N.V. | 100.000 | |
| CNH Componentes, S.A. de C.V. | Sao Pedro | Mexico | 135,634,842 | MXN | 84.54 | CNH America LLC | 100.000 | |
| CNH Danmark A/S | Hvidovre | Denmark | 12,000,000 | DKK | 84.54 | CNH International S.A. | 100.000 | |
| CNH Deutschland GmbH | Heilbronn | Germany | 18,457,650 | EUR | 84.54 | CNH International S.A. | 100.000 | |
| CNH Engine Corporation | Wilmington | U.S.A. | 1,000 | USD | 84.54 | CNH America LLC | 100.000 | |
| CNH Financial Services | Puteaux | France | 3,738,141 | EUR | 84.54 | CNH Global N.V. | 100.000 | |
| CNH Financial Services A/S | Hvidovre | Denmark | 500,000 | DKK | 84.54 | CNH Global N.V. | 100.000 | |
| CNH Financial Services GmbH | Heilbronn | Germany | 200,000 | EUR | 84.54 | CNH International S.A. | 100.000 | |
| CNH Financial Services S.r.l. | Modena | Italy | 10,400 | EUR | 84.54 | CNH Global N.V. | 100.000 | |
| CNH France S.A. | Le Plessis-Belleville | France | 138,813,150 | EUR | 84.54 | CNH International S.A. | 100.000 | |
| CNH International S.A. | Luxembourg | Luxembourg | 300,000,000 | USD | 84.54 | CNH Global N.V. | 100.000 | |
| CNH Italia s.p.a. | Modena | Italy | 15,600,000 | EUR | 84.54 | 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 at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|---|--------------------|------------------------|-----------------------------|----------|--------------------------|--|--------------------|--------------------|
| CNH Latin America Ltda. | Contagem | Brazil | 674,264,183 | BRL | 84.54 | CNH Global N.V. | 87.880 | |
| | | | | | | Case Brazil Holdings Inc. | 10.610 | |
| | | | | | | Case Equipment International Corporation | 1.510 | |
| CNH Maquinaria Spain S.A. | Coslada | Spain | 21,000,000 | EUR | 84.54 | CNH International S.A. | 99.999 | |
| CNH Osterreich GmbH | St. Valentin | Austria | 2,000,000 | EUR | 84.54 | CNH Global N.V. | 100.000 | |
| CNH Polska Sp. z o.o. | Plock | Poland | 162,591,660 | PLN | 84.54 | CNH Belgium N.V. | 99.995 | |
| | | | | | | Fiat Polska Sp. z o.o. | 0.005 | |
| CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda | Carnaxide | Portugal | 498,798 | EUR | 84.54 | CNH International S.A. | 99.980 | |
| | | | | | | CNH Italia s.p.a. | 0.020 | |
| CNH Receivables LLC | Wilmington | U.S.A. | 0 | USD | 84.54 | CNH Capital America LLC | 100.000 | |
| CNH Serviços Técnicos e Desenvolvimento de Negócios Ltda | Curitiba | Brazil | 1,000,000 | BRL | 84.54 | Banco CNH Capital S.A. | 100.000 | |
| CNH Trade N.V. | Amsterdam | Netherlands | 50,000 | EUR | 84.54 | CNH Global N.V. | 100.000 | |
| CNH U.K. Limited | Basildon | United Kingdom | 91,262,275 | GBP | 84.54 | New Holland Holding Limited | 100.000 | |
| CNH Wholesale Receivables LLC | Wilmington | U.S.A. | 0 | USD | 84.54 | CNH Capital America LLC | 100.000 | |
| Fiat Kobelco Construction Machinery S.p.A. | San Mauro Torinese | Italy | 80,025,291 | EUR | 63.09 | CNH Italia s.p.a. | 59.625 | |
| | | | | | | CNH Global N.V. | 15.000 | |
| Fiatallis North America LLC | Wilmington | U.S.A. | 32 | USD | 84.54 | CNH America LLC | 100.000 | |
| Fiat-Kobelco Construction Machinery Belgium SA | Herstal-lez-Liege | Belgium | 247,900 | EUR | 63.09 | Fiat Kobelco Construction Machinery S.p.A. | 100.000 | |
| Flexi-Coil (U.K.) Limited | Basildon | United Kingdom | 1,000 | GBP | 84.54 | CNH Canada Ltd. | 100.000 | |
| Harbin New Holland Tractors Co., Ltd. | Harbin | People's Rep. of China | 2,859,091 | USD | 84.54 | New Holland Mauritius (Private) Ltd. | 99.000 | |
| | | | | | | CNH International S.A. | 1.000 | |
| HFI Holdings Inc. | Wilmington | U.S.A. | 1,000 | USD | 84.54 | CNH America LLC | 100.000 | |
| JV Uzcaseagroleasing LLC | Tashkent | Uzbekistan | 0 | USD | 43.12 | Case Credit Holdings Limited | 51.000 | |
| JV UzCaseMash LLC | Tashkent | Uzbekistan | 0 | USD | 50.73 | Case Equipment Holdings Limited | 60.000 | |
| JV UzCaseService LLC | Tashkent | Uzbekistan | 0 | USD | 43.12 | Case Equipment Holdings Limited | 51.000 | |
| JV UzCaseTractor LLC | Tashkent | Uzbekistan | 0 | USD | 43.12 | Case Equipment Holdings Limited | 51.000 | |
| Kobelco Construction Machinery America LLC | Wilmington | U.S.A. | 0 | USD | 54.95 | New Holland Excavator Holdings LLC | 65.000 | |
| Kobelco Construction Machinery Europe BV in liquidation | Almere | Netherlands | 567,225 | EUR | 63.09 | Fiat Kobelco Construction Machinery S.p.A. | 100.000 | |
| MBA AG | Bassersdorf | Switzerland | 4,000,000 | CHF | 84.54 | CNH Global N.V. | 100.000 | |
| New Holland Australia Pty Ltd | Riverstone | Australia | 1 | AUD | 84.54 | CNH Australia Pty Limited | 100.000 | |
| New Holland (Canada) Credit Company | Burlington | Canada | 1,000 | CAD | 84.54 | CNH Canada Ltd. | 99.000 | |
| | | | | | | Case Credit Ltd. | 1.000 | |
| New Holland (Canada) Credit Holding Ltd. in liquidation | Toronto | Canada | 1 | CAD | 84.54 | CNH Canada Ltd. | 100.000 | |
| New Holland Canada Ltd. | Saskatoon | Canada | 10,403 | CAD | 84.54 | CNH Canada Ltd. | 100.000 | |
| New Holland Credit Australia Pty Limited | Riverstone | Australia | 725,834 | AUD | 84.54 | CNH Capital Australia Pty Limited | 100.000 | |
| New Holland Credit Company LLC | Wilmington | U.S.A. | 0 | USD | 84.54 | CNH Capital LLC | 100.000 | |
| New Holland Excavator Holdings LLC | Wilmington | U.S.A. | 0 | USD | 84.54 | CNH America LLC | 100.000 | |
| New Holland Financial Services Ltd | Basildon | United Kingdom | 50,000 | GBP | 84.54 | CNH Global N.V. | 100.000 | |
| New Holland Holding Limited | London | United Kingdom | 165,000,000 | GBP | 84.54 | CNH International S.A. | 100.000 | |
| New Holland Holdings Argentina S.A. | Buenos Aires | Argentina | 23,555,415 | ARS | 84.54 | CNH Latin America Ltda. | 100.000 | |
| New Holland Ltd | Basildon | United Kingdom | 1,000,000 | GBP | 84.54 | CNH Global N.V. | 100.000 | |
| New Holland Mauritius (Private) Ltd. | Port Louis | Mauritius | 78,571,333 | USD | 84.54 | CNH Global N.V. | 100.000 | |
| New Holland Tractor Ltd. N.V. | Antwerp | Belgium | 9,631,500 | EUR | 84.54 | New Holland Holding Limited | 100.000 | |
| New Holland Tractors (India) Private Ltd | New Delhi | India | 168,736,580,600 | INR | 84.54 | New Holland Mauritius (Private) Ltd. | 100.000 | |
| O & K - Hilfe GmbH | Berlin | Germany | 25,565 | EUR | 84.54 | CNH Baumaschinen GmbH | 100.000 | |
| Pryor Foundry Inc. | Oklahoma City | U.S.A. | 1,000 | USD | 84.54 | CNH America LLC | 100.000 | |
| Receivables Credit II Corporation | Calgary | Canada | 1 | CAD | 84.54 | CNH Capital America LLC | 100.000 | |
| RosCaseMash | Saratov | Russia | 200,000 | RUR | 32.34 | Case Equipment Holdings Limited | 38.250 | 51.000 |
| Shanghai New Holland Agricultural Machinery Corporation Limited | Shanghai | People's Rep. of China | 35,000,000 | USD | 50.73 | 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 | |
| Astra Veicoli Industriali S.p.A. | Piacenza | Italy | 10,400,000 | EUR | 100.00 | Iveco S.p.A. | 100.000 | |
| Brandschutztechnik Gorlitz GmbH | Gürnitz | 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-Laysse | France | 1,870,169 | EUR | 99.96 | Iveco Eurofire (Holding) GmbH | 99.961 | |
| 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 Investments GmbH | 90.000 | |
| | | | | | | Iveco S.p.A. | 10.000 | |
| Euromoteurs S.A. | Garchizy | France | 2,098,560 | EUR | 100.00 | Iveco France S.A. | 100.000 | |
| European Engine Alliance S.c.r.l. | Turin | Italy | 32,044,797 | EUR | 61.51 | CNH Global N.V. | 33.333 | |
| | | | | | | Iveco S.p.A. | 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 Investigations GmbH | 95.000 | |
| | | | | | | Iveco S.p.A. | 5.000 | |
| Ikarus Egyedi Autobusz GY | Budapest | Hungary | 350,000,000 | HUF | 68.15 | Irisbus Holding S.L. | 68.146 | |
| Ikarus Trade Kft. | Budapest | Hungary | 423,220,000 | HUF | 100.00 | Ikarusbus Jamugyarto RT | 99.976 | |
| | | | | | | Irisbus Holding S.L. | 0.024 | |
| Ikarusbus Jamugyarto RT | Szekesfehervar | Hungary | 974,268,827 | HUF | 100.00 | Irisbus Italia S.p.A. | 99.998 | |
| | | | | | | Irisbus France S.A. | 0.002 | |
| Industrial Vehicles Center Hainaut S.A. | Charleroi | Belgium | 600,000 | EUR | 100.00 | S.A. Iveco Belgium N.V. | 95.000 | |
| | | | | | | Iveco Nederland B.V. | 5.000 | |
| Irisbus Australia Pty. Ltd. | Dandenong | Australia | 1,500,000 | AUD | 100.00 | Irisbus Holding S.L. | 100.000 | |

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 at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|--|---------------------------|----------------|-----------------------------|----------|--------------------------|--|---------------------------|--------------------|
| Irisbus Benelux Ltd. | Leudelange | Luxembourg | 594,000 | EUR | 100.00 | Irisbus France S.A. Société Charolaise de Participations S.A. | 99.983 0.017 | |
| Irisbus Deutschland GmbH | Mainz-Mombach | Germany | 22,000,000 | EUR | 100.00 | Irisbus Holding S.L. | 100.000 | |
| Irisbus France S.A. | Vénissieux | France | 142,482,000 | EUR | 100.00 | Irisbus Holding S.L. | 100.000 | |
| Irisbus Holding S.L. | Madrid | Spain | 233,670,000 | EUR | 100.00 | Iveco S.p.A. 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 Véhicules Industriels S.A. | Morges | Switzerland | 1,200,000 | CHF | 100.00 | Iveco (Schweiz) AG | 100.000 | |
| Iveco Argentina S.A. | Cordoba | Argentina | 26,700,000 | ARS | 100.00 | Iveco S.p.A. Astra Veicoli Industriali S.p.A. | 99.999 0.001 | |
| Iveco Austria GmbH | Vienna | Austria | 6,178,000 | EUR | 100.00 | Iveco S.p.A. | 100.000 | |
| Iveco Bayern GmbH | Nuremberg | Germany | 742,000 | EUR | 100.00 | Iveco Magirus AG | 100.000 | |
| Iveco Colombia Ltda. | Santa Fe' de Bogota | Colombia | 2,870,909,000 | COP | 100.00 | Iveco Venezuela C.A. Iveco Latin America Ltda | 99.974 0.026 | |
| Iveco Contract Services Limited | Watford | United Kingdom | 2,000,000 | GBP | 100.00 | Iveco (UK) Ltd | 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 Paolo | Brazil | 534,700,000 | BRL | 100.00 | Iveco S.p.A. Astra Veicoli Industriali S.p.A. | 99.999 0.001 | |
| 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. | Hautconcourt | France | 305,600 | EUR | 100.00 | Iveco France S.A. | 100.000 | |
| Iveco L.V.I. S.a.s. | Saint-Priest-En-Jarez | France | 503,250 | EUR | 100.00 | Iveco France S.A. | 100.000 | |
| Iveco Magirus AG | Ulm | Germany | 250,000,000 | EUR | 100.00 | Iveco S.p.A. 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 Nord-West GmbH | Dortmund-Wambel | Germany | 1,355,000 | EUR | 100.00 | Iveco Magirus AG | 100.000 | |
| Iveco Otomotiv Ticaret A.S. | Samandira-Kartal/Istanbul | Turkey | 5,960,707,000,000 | 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. Astra Veicoli Industriali S.p.A. | 99.999 0.001 | |
| Iveco Pension Trustee Ltd | Watford | United Kingdom | 2 | GBP | 100.00 | Iveco Limited Iveco (UK) Ltd | 50.000 50.000 | |
| Iveco Plan S.A. de Ahorro para fines determinados | Buenos Aires | Argentina | 153,000 | ARS | 100.00 | Iveco Argentina S.A. Fiat Argentina S.A. | 99.600 0.400 | |
| Iveco Poland Ltd. | Warsaw | Poland | 46,974,500 | PLN | 100.00 | Iveco S.p.A. Fiat Polska Sp. z o.o. | 99.989 0.011 | |
| Iveco Portugal-Comercio de Veiculos Industriais S.A. | Vila Franca de Xira | Portugal | 15,962,000 | EUR | 100.00 | Iveco S.p.A. 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 Süd-West Nutzfahrzeuge GmbH | Mannheim-Neckarau | Germany | 1,533,900 | EUR | 100.00 | Iveco Magirus AG | 100.000 | |
| Iveco Sweden A.B. | Arlov | Sweden | 600,000 | SEK | 100.00 | Iveco S.p.A. | 100.000 | |
| Iveco Trucks Australia Limited | Dandenong | Australia | 47,492,260 | AUD | 100.00 | Iveco S.p.A. | 100.000 | |
| Iveco (UK) Ltd | Watford | United Kingdom | 47,000,000 | GBP | 100.00 | Iveco 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 at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|--|------------------------|-----------------|-----------------------------|----------|--------------------------|--|--------------------|--------------------|
| Iveco Ukraine Inc. | Kiev | Ukraine | 55,961,760 | UAK | 99.97 | Iveco S.p.A. | 99.968 | |
| Iveco Venezuela C.A. | La Victoria | Venezuela | 2,495,691,000 | VEB | 100.00 | Iveco S.p.A. | 100.000 | |
| Iveco West Nutzfahrzeuge GmbH | Colonia | Germany | 1,662,000 | EUR | 100.00 | Iveco Magirus AG | 100.000 | |
| Karosa A.S. | Vysoke Myto | Czech Republic | 1,065,559,000 | CZK | 97.60 | Inibus France S.A. | 97.596 | |
| Karosa r.s.o. | Bratislava | Slovak Republic | 200,000 | SKK | 97.60 | Karosa A.S. | 100.000 | |
| Lavorazione Plastica S.r.l. | Turin | Italy | 14,955 | EUR | 100.00 | Iveco S.p.A. Sicca S.p.A. | 98.997 1.003 | |
| Lohr-Magirus Feuerwehrtechnik GmbH | Kainbach | Austria | 1,271,775 | EUR | 95.00 | Iveco Magirus Brandschutztechnik GmbH | 95.000 | |
| Mediterranea de Camiones S.L. | Valencia | Spain | 48,080 | EUR | 100.00 | Iveco Pegaso S.L. | 100.000 | |
| Officine Brennero S.p.A. | Trento | Italy | 7,120,000 | EUR | 100.00 | Iveco S.p.A. | 100.000 | |
| 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-S | 50.000 50.000 | |
| 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 | |
| Société Charolaise de Participations S.A. | Vénissieux | France | 2,370,000 | EUR | 100.00 | Inibus Holding S.L. | 100.000 | |
| Société de Diffusion de Véhicules Industriels-SDVI S.A.S. | Trappes | France | 7,022,400 | EUR | 100.00 | Iveco France S.A. | 100.000 | |
| Transolver Finance S.A. | Trappes | France | 30,244,800 | EUR | 100.00 | Iveco S.p.A. | 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 | Heilbronn | 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 | |
| Utilitaires & Véhicules Industriels Franciliens-UVIF SAS | La Garenne | France | 1,067,500 | EUR | 100.00 | Iveco France S.A. | 100.000 | |
| Zona Franca Alari Sepauto S.A. | Barcelona | Spain | 520,560 | EUR | 51.87 | Iveco Pegaso S.L. | 51.867 | |
| 2 H Energy S.A.S. | Fécamp | France | 2,000,000 | EUR | 100.00 | Iveco S.p.A. | 100.000 | |
| Ferrari and Maserati | | | | | | | | |
| Ferrari S.p.A. | Modena | Italy | 20,000,000 | EUR | 56.00 | Fiat S.p.A. | 56.000 | |
| Charles Pozzi S.A. | Levallois-Perret | France | 280,920 | EUR | 56.00 | Société Française de Participations Ferrari - S. | 100.000 | |
| 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 Maserati UK | Slough Berkshire | United Kingdom | 50,000 | GBP | 56.00 | Ferrari International S.A. | 100.000 | |
| Ferrari N.America Inc. | Englewood Cliffs | U.S.A. | 200,000 | USD | 56.00 | Ferrari S.p.A. | 100.000 | |
| Ferrari San Francisco Inc. | Mill Valley | U.S.A. | 100,000 | USD | 56.00 | Ferrari N.America Inc. | 100.000 | |
| Ferrari (Suisse) SA | Nyon | Switzerland | 1,000,000 | CHF | 56.00 | Ferrari International S.A. | 100.000 | |
| GSA-Gestions Sportives Automobiles S.A. | Meyrin | Switzerland | 1,000,000 | CHF | 56.00 | Ferrari International S.A. | 100.000 | |
| 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 | |
| Pozzi Rent Snc | Lyon | France | 15,256 | EUR | 56.00 | Charles Pozzi S.A. | 100.000 | |
| Société de Transformation Automobile Lyonnaise - S.T.A.L. S.a.r.l. | Lyon | France | 155,498 | EUR | 56.00 | Charles Pozzi S.A. | 100.000 | |
| Société Française de Participations Ferrari - S.F.P.F. S.A.R.L. | Levallois-Perret | France | 6,000,000 | EUR | 56.00 | Ferrari International S.A. | 100.000 | |
| 410 Park Display Inc. | New York | U.S.A. | 100 | USD | 56.00 | Ferrari N.America Inc. | 100.000 | |
| Components | | | | | | | | |
| Magneti Marelli Holding S.p.A. | Corbetta | Italy | 254,324,998 | EUR | 99.99 | Fiat S.p.A. | 99.991 | 100.000 |
| Automotive Lighting Brotterode GmbH | Meiningen | Germany | 7,270,000 | EUR | 99.99 | Automotive Lighting Reutlingen GmbH | 100.000 | |
| Automotive Lighting Holding GmbH in liquidation | Innsbruck | Austria | 11,952,191 | EUR | 99.99 | Magneti Marelli Holding S.p.A. | 100.000 | |
| 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 LLC | Farmington Hills | U.S.A. | 25,001,000 | USD | 99.99 | Magneti Marelli Holding U.S.A. Inc. | 100.000 | |
| Automotive Lighting o.o.o. | Rjiasan | Russia | 36,875,663 | RUR | 99.99 | Automotive Lighting Reutlingen GmbH | 100.000 | |
| Automotive Lighting Polska Sp. z o.o. | Sosnowiec | Poland | 83,500,000 | PLN | 99.99 | Automotive Lighting Reutlingen GmbH Fiat Polska Sp. z o.o. | 99.997 0.003 | |
| Automotive Lighting Rear Lamps Deutschland GmbH | Grasbrunn-Neukerferloh | Germany | 25,565 | EUR | 98.99 | Automotive Lighting Rear Lamps Italia S.p.A. | 99.000 | |
| Automotive Lighting Rear Lamps Espana S.A. | Llinares del Valles | Spain | 9,153,693 | EUR | 99.99 | Automotive Lighting Rear Lamps Italia S.p.A. | 100.000 | |
| Automotive Lighting Rear Lamps France S.A. | Saint Denis | France | 1,011,536 | EUR | 99.98 | Automotive Lighting Rear Lamps Italia S.p.A. | 99.992 | |
| Automotive Lighting Rear Lamps Italia S.p.A. | Tolmezzo | Italy | 13,220,000 | EUR | 99.99 | Magneti Marelli Holding S.p.A. | 100.000 | |
| Automotive Lighting Reutlingen GmbH | Reutlingen | Germany | 1,330,000 | EUR | 99.99 | Magneti Marelli Holding S.p.A. | 100.000 | |
| Automotive Lighting S.R.O. | Jihlava | Czech Republic | 927,637,000 | CZK | 99.99 | Automotive Lighting Reutlingen GmbH | 100.000 | |
| Automotive Lighting UK Limited | Cannock | United Kingdom | 15,387,348 | GBP | 99.99 | Magneti Marelli Holding S.p.A. | 100.000 | |
| Fiat CIEI S.p.A. | Corbetta | Italy | 624,000 | EUR | 99.99 | Magneti Marelli Holding S.p.A. | 100.000 | |
| Iluminacao Automotiva Ltda | Contagem | Brazil | 93,260,418 | BRL | 99.99 | Automotive Lighting Reutlingen GmbH | 100.000 | |
| Industrial Yorka de Mexico S.A. de C.V. | Mexico City | Mexico | 50,000 | MXN | 99.99 | Yorka de Mexico S.r.l. de CV Industrial Yorka de Tepotzotlan S.A. de C.V. | 98.000 2.000 | |
| Industrial Yorka de Tepotzotlan S.A. de C.V. | Mexico City | Mexico | 50,000 | MXN | 99.99 | Yorka de Mexico S.r.l. de CV Industrial Yorka de Mexico S.A. de C.V. | 99.000 1.000 | |
| Industrias Magneti Marelli Mexico S.A. de C.V. | Tepotzotlan | Mexico | 50,000 | MXN | 99.99 | Magneti Marelli Mexico S.A. Servicios Administrativos Corp. IPASA S.A. | 99.998 0.002 | |
| Kadron S/A | Maua | Brazil | 20,000,000 | BRL | 99.69 | Magneti Marelli do Brasil Industria e Comercio | 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 |

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| Name | Registered office | Country | Capital stock at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|---|----------------------|------------------------|-----------------------------|----------|--------------------------|---|----------------------------|--------------------|
| 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 Automotive Components (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 Cofap Companhia Fabricadora de Pecas | Santo Andre | Brazil | 244,206,231 | 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. | 99.900 1.000 | |
| Magneti Marelli Controle Motor Ltda. | Hortolandia | Brazil | 127,175,621 | BRL | 99.99 | Magneti Marelli Powertrain S.p.A. Fiat do Brasil S.A. | 99.997 0.003 | |
| Magneti Marelli Deutschland GmbH | Russelsheim | Germany | 1,050,000 | EUR | 99.99 | Magneti Marelli After Market S.p.A. | 100.000 | |
| Magneti Marelli do Brasil Industria e Comercio SA | Hortolandia | Brazil | 16,868,427 | BRL | 99.69 | Magneti Marelli Holding S.p.A. | 99.695 | 99.976 |
| Magneti Marelli Electronica SL | Barcelona | Spain | 18,388,581 | EUR | 99.99 | Magneti Marelli Sistemi Elettronici S.p.A. | 100.000 | |
| Magneti Marelli Elektronische Systeme GmbH | Heilbronn | Germany | 100,000 | EUR | 99.99 | Magneti Marelli Sistemi Elettronici S.p.A. | 100.000 | |
| Magneti Marelli Electronica Ltda | Sao Paulo | Brazil | 88,185,301 | BRL | 99.99 | Magneti Marelli Sistemi Elettronici S.p.A. | 100.000 | |
| Magneti Marelli Escapamentos Ltda | Amparo | Brazil | 65,736,384 | BRL | 99.99 | Magneti Marelli Sistemi di Scarico S.p.A. Fiat do Brasil S.A. | 99.997 0.003 | |
| Magneti Marelli Exhaust Systems Polska Sp. z o.o. | Sosnowiec | Poland | 15,000,000 | PLN | 99.99 | Magneti Marelli Sistemi di Scarico S.p.A. Fiat Polska Sp. z o.o. | 99.993 0.007 | |
| Magneti Marelli France S.A. | Nanterre | France | 67,380,000 | EUR | 99.88 | Magneti Marelli Holding S.p.A. Ufima S.A.S. | 99.884 0.003 | |
| Magneti Marelli Guangzhou Motor Vehicle Instruments Co. Limited | Guangzhou | People's Rep. of China | 8,100,000 | USD | 99.99 | Magneti Marelli Sistemi Elettronici S.p.A. | 100.000 | |
| Magneti Marelli Holding U.S.A. Inc. | Wixom | U.S.A. | 10 | USD | 99.99 | Magneti Marelli Holding S.p.A. | 100.000 | |
| Magneti Marelli Iberica S.A. | Madrid | Spain | 99,766 | EUR | 99.99 | Magneti Marelli Holding S.p.A. | 100.000 | |
| Magneti Marelli Infotelecom Ltda | Sao Paulo | Brazil | 999 | BRL | 99.99 | Magneti Marelli Electronica Ltda Magneti Marelli do Brasil Industria e Comercio | 99.900 0.100 | |
| Magneti Marelli Mexico S.A. | Tepotzotlan | Mexico | 23,611,680 | MXN | 99.99 | Magneti Marelli Sistemi Elettronici 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 | 100.000 | |
| Magneti Marelli Poland S.A. | Sosnowiec | Poland | 10,567,800 | PLN | 99.99 | Magneti Marelli Holding S.p.A. Fiat Polska Sp. z o.o. | 99.995 0.005 | |
| Magneti Marelli Powertrain GmbH | Russelsheim | Germany | 100,000 | EUR | 99.99 | Magneti Marelli Powertrain S.p.A. | 100.000 | |
| Magneti Marelli Powertrain (Shanghai) Co. Ltd. | Shanghai | People's 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. LLC | Sanford | U.S.A. | 25,000,000 | USD | 99.99 | Magneti Marelli Holding U.S.A. Inc. | 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 Sistemi Elettronici S.p.A. | Corbetta | Italy | 74,897,548 | EUR | 99.99 | Magneti Marelli Holding S.p.A. | 99.999 | 100.000 |
| Magneti Marelli South Africa (Proprietary) Limited | Johannesburg | South Africa | 1,950,000 | ZAR | 99.99 | Magneti Marelli Sistemi di Scarico S.p.A. | 100.000 | |
| Magneti Marelli Suspension Systems Poland Sp. z o.o. | Sosnowiec | Poland | 43,100,000 | PLN | 99.99 | Magneti Marelli Holding S.p.A. Fiat Polska Sp. z o.o. | 99.993 0.007 | |
| Magneti Marelli Svenska A/B in liquidation | Goteborg | Sweden | 100,000 | SEK | 99.99 | Magneti Marelli Components B.V. | 100.000 | |
| Magneti Marelli Systèmes Electroniques France S.A.S. | Nanterre | France | 40,040,016 | EUR | 99.99 | Magneti Marelli Sistemi Elettronici S.p.A. | 100.000 | |
| Magneti Marelli Tubos de Escape SL | Barcelona | Spain | 10,154,256 | EUR | 99.99 | Magneti Marelli Sistemi di Scarico S.p.A. | 100.000 | |
| Magneti Marelli U.K. Limited | Cannock | United Kingdom | 12,400,000 | GBP | 99.99 | Magneti Marelli Components B.V. | 100.000 | |
| Malaysian Automotive Lighting SDN. BHD | Penang | Malaysia | 8,000,000 | MYR | 79.99 | Automotive Lighting Reutlingen GmbH | 80.000 | |
| Servicios Administrativos Corp. IPASA S.A. | Col. Chapultepec | Mexico | 1,000 | MXN | 99.99 | Magneti Marelli Mexico S.A. Industrias Magneti Marelli Mexico S.A. de C.V. | 99.990 0.010 | |
| Sistemi Sospensioni S.p.A. | Corbetta | Italy | 60,500,000 | EUR | 99.99 | Magneti Marelli Holding S.p.A. | 100.000 | |
| Tecnologia de Iluminacion Automotriz S.A. de C.V. | Chihuahua | Mexico | 50,000 | MXN | 99.99 | Automotive Lighting LLC | 100.000 | |
| Tutela Lubrificantes S.A. | Contagem | Brazil | 941,028 | BRL | 99.99 | Magneti Marelli Holding S.p.A. | 100.000 | |
| 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.r.l. de CV | El Marques Queretaro | Mexico | 50,000 | MXN | 99.99 | Magneti Marelli Holding U.S.A. Inc. | 100.000 | |
| Production Systems | | | | | | | | |
| Comau S.p.A. | Grugliasco | Italy | 140,000,000 | EUR | 100.00 | Fiat S.p.A. | 100.000 | |
| Autodie International, Inc. | Grand Rapids | U.S.A. | 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 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 | Bobligen | 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 | 5,000,000 | SEK | 100.00 | Comau S.p.A. Ingest Facility S.p.A. | 51.000 49.000 | |
| Comau Pico Holdings Corporation | New York | U.S.A. | 100 | USD | 100.00 | Comau 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 at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|--|----------------------|------------------------|-----------------------------|----------|--------------------------|--|--------------------|--------------------|
| Comau Poland Sp. z o.o. | Bielsko-Biala | Poland | 2,100,000 | PLN | 100.00 | Comau S.p.A. Fiat Polska Sp. z o.o. | 99.976 0.024 | |
| Comau Romania S.R.L. | Bihor | Romania | 3,249,800,000 | ROL | 100.00 | Comau S.p.A. | 100.000 | |
| Comau 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 | 1,086,000 | 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 | 9,112,592 | 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 liquidation | 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 Endüstriyel 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 | |
| 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 | |
| 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 liquidation | 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 laisa S.de R.L. de C.V. | Tepetzotlan | 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. | Tepetzotlan | 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. | Tepetzotlan | Mexico | 3,000 | MXN | 100.00 | Comau S.p.A. Comau Deutschland GmbH | 99.967 0.033 | |
| Progressive Tool & Industries Company | Southfield | U.S.A. | 21,455 | USD | 100.00 | Comau Pico Holdings Corporation | 100.000 | |
| Trebol Tepetzotlan S.de R.L. de C.V. | Tepetzotlan | 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 | |
| Metallurgical Products | | | | | | | | |
| Teksid S.p.A. | Turin | Italy | 239,600,000 | EUR | 80.48 | Fiat S.p.A. | 80.482 | |
| Accurcast Limited in liquidation | Saint John | Canada | 39,684,600 | CAD | 41.05 | Meridian Technologies Inc. | 100.000 | |
| Compania Industrial Frontera S.A. de C.V. | Sao Pedro | Mexico | 50,000 | MXN | 80.48 | Teksid Hierro de Mexico S.A. de C.V. | 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. | Cacia | Portugal | 13,697,550 | EUR | 67.29 | Fonderie du Poitou Fonte S.A.S. | 83.607 | |
| Jutras Die Casting Limited in liquidation | Saint John | Canada | 24,490,715 | CAD | 41.05 | Meridian Technologies Inc. | 100.000 | |
| Magnesium Products of America Inc. | Eaton Rapids | U.S.A. | 43,454,000 | USD | 41.05 | Meridian Technologies Inc. | 100.000 | |
| Magnesium Products of Italy S.r.l. | Verres | Italy | 13,962,000 | EUR | 41.05 | Magnesium Products of America Inc. | 100.000 | |
| Meridian Deutschland GmbH | Heilbronn | Germany | 25,600 | EUR | 41.05 | Meridian Technologies Inc. | 100.000 | |
| Meridian Magnesium LLC in liquidation | Wilmington | U.S.A. | 4,962 | USD | 41.05 | Meridian Technologies Japan Inc. Meridian Technologies Inc. | 90.000 10.000 | |
| Meridian Technologies Inc. | Saint John | Canada | 173,123,445 | CAD | 41.05 | Teksid S.p.A. Teksid Acquisition Inc. | 31.450 19.550 | |
| Meridian Technologies Japan Inc. | Saint John | Canada | 6,210 | CAD | 41.05 | Meridian Technologies Inc. | 100.000 | |
| Shanghai Meridian Magnesium Products Company Limited | Shanghai | People's Rep. of China | 8,000,000 | USD | 24.63 | Meridian Technologies Inc. | 60.000 | |
| Société Bretonne de Fonderie et de Mécanique S.A. | Caudan | France | 10,549,859 | EUR | 80.48 | Teksid S.p.A. | 100.000 | |
| Teksid Acquisition Inc. | Toronto | Canada | 68,800,001 | CAD | 80.48 | Teksid S.p.A. | 100.000 | |
| Teksid do Brasil Ltda | Betim | Brazil | 59,899,570 | BRL | 80.48 | Teksid S.p.A. | 100.000 | |
| Teksid Hierro de Mexico S.A. de C.V. | Sao Pedro | Mexico | 567,466,400 | MXN | 80.48 | Teksid S.p.A. | 100.000 | |
| Teksid Inc. | Wilmington | U.S.A. | 100,000 | USD | 80.48 | Teksid S.p.A. | 100.000 | |
| Teksid Iron Poland Sp. z o.o. | Skoczow | Poland | 115,678,500 | PLN | 80.48 | Teksid S.p.A. Fiat Polska Sp. z o.o. | 99.996 0.004 | |
| Services | | | | | | | | |
| Business Solutions S.p.A. | Turin | Italy | 10,000,000 | EUR | 100.00 | Fiat S.p.A. | 100.000 | |
| Atlant S.p.A. | Turin | Italy | 2,000,000 | EUR | 100.00 | Fiat Partecipazioni S.p.A. | 100.000 | |
| Building Services S.r.l. | Turin | Italy | 90,000 | EUR | 51.00 | Ingest Facility S.p.A. | 51.000 | |
| Building Support S.r.l. | Turin | Italy | 90,000 | EUR | 51.00 | Building Services S.r.l. | 100.000 | |
| Business Solutions Argentina S.A. | Buenos Aires | Argentina | 12,000 | ARS | 100.00 | Business Solutions do Brasil Ltda Fiat Auto Argentina S.A. | 99.992 0.008 | |
| Business Solutions Deutschland FiatGroup GmbH | Ulm | Germany | 200,000 | EUR | 100.00 | Business Solutions S.p.A. | 100.000 | |
| Business Solutions do Brasil Ltda | Nova Lima | Brazil | 36,915,855 | BRL | 100.00 | Business Solutions S.p.A. | 100.000 | |

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 at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|--|-------------------|----------------|-----------------------------|----------|--------------------------|--|--|--------------------|
| Business Solutions France FiatGroup S.a.s. | Levallois-Perret | France | 695,600 | EUR | 100.00 | Business Solutions S.p.A. | 100.000 | |
| Business Solutions Iberica Fiat Group SL | Madrid | Spain | 369,327 | EUR | 100.00 | Business Solutions S.p.A. Fiat Iberica S.A. | 80.000 20.000 | |
| Business Solutions Polska Sp. z o.o. | Bielsko-Biala | Poland | 3,600,000 | PLN | 100.00 | Business Solutions S.p.A. Fiat Polska Sp. z o.o. | 99.986 0.014 | |
| Delivery & Mail S.r.l. | Turin | Italy | 90,000 | EUR | 100.00 | Ingest Facility S.p.A. | 100.000 | |
| eSPIN S.p.A. | Turin | Italy | 1,000,000 | EUR | 100.00 | Business Solutions S.p.A. | 100.000 | |
| Fast Buyer do Brasil Ltda | Nova Lima | Brazil | 50,000 | BRL | 99.92 | Fast-Buyer S.p.A. Business Solutions do Brasil Ltda | 99.998 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 GES.CO. Belgium N.V. | Brugge | Belgium | 62,500 | EUR | 100.00 | Gesco U.K. Limited Fiat Gesco S.p.A. | 99.960 0.040 | |
| Fiat Gesco S.p.A. | Turin | Italy | 3,600,000 | EUR | 100.00 | Business Solutions S.p.A. | 100.000 | |
| Gesco U.K. Limited | Basildon | United Kingdom | 750,000 | GBP | 100.00 | Fiat Gesco S.p.A. Fiat United Kingdom Limited | 75.000 25.000 | |
| 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. WorkNet società di fornitura di lavoro temporaneo-per azioni | 100.000 | |
| Individual S.p.A. | Milan | Italy | 105,000 | EUR | 100.00 | Business Solutions S.p.A. | 100.000 | |
| Ingest Facility Polska Sp. z o.o. | Bielsko-Biala | Poland | 500,000 | PLN | 100.00 | Ingest Facility S.p.A. Fiat Polska Sp. z o.o. | 99.800 0.200 | |
| Ingest Facility S.p.A. | Turin | Italy | 1,700,000 | EUR | 100.00 | Business Solutions S.p.A. | 100.000 | |
| Isvor Knowledge System S.p.A. | Turin | Italy | 500,000 | EUR | 98.61 | Business Solutions S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni | 70.000 30.000 | |
| KeyG Consulting S.p.A. | Turin | Italy | 167,352 | EUR | 60.00 | Fiat Gesco S.p.A. Business Solutions S.p.A. | 52.800 7.200 | |
| Learning Systems S.p.A. | Milan | Italy | 104,000 | EUR | 50.29 | Isvor Knowledge System S.p.A. | 51.000 | |
| Risk Management S.p.A. | Turin | Italy | 120,000 | EUR | 100.00 | Business Solutions S.p.A. | 100.000 | |
| Sadi Brasil Ltda. | Nova Lima | Brazil | 100,000 | BRL | 96.95 | Business Solutions do Brasil Ltda CNH Latin America Ltda. Fiat Automoveis S.A. - FIASA Iveco Fiat Brasil Ltda Iveco Latin America Ltda | 60.000 10.000 10.000 10.000 10.000 | |
| Sadi Polska-Agencja Celna Sp. z o.o. | Bielsko-Biala | Poland | 500,000 | PLN | 100.00 | Servizi e Attività Doganali per l'Industria S.p.A. Fiat Polska Sp. z o.o. | 99.800 0.200 | |
| Scuola di Pubblica Amministrazione s.p.a. | Lucca | Italy | 100,000 | EUR | 51.97 | Isvor Knowledge System S.p.A. | 52.700 | |
| Servizi e Attività Doganali per l'Industria S.p.A. | Turin | Italy | 520,000 | EUR | 100.00 | Business Solutions S.p.A. | 100.000 | |
| Sestrieres S.p.A. | Sestriere | Italy | 16,120,000 | EUR | 100.00 | Business Solutions S.p.A. Fiat Partecipazioni S.p.A. | 70.000 30.000 | |
| Sporting Club Sestrieres S.R.L. | Sestriere | Italy | 312,000 | EUR | 100.00 | Sestrieres S.p.A. | 100.000 | |
| Telexis do Brasil Ltda. | Nova Lima | Brazil | 1,400 | BRL | 99.94 | Fast Buyer do Brasil Ltda Business Solutions do Brasil Ltda | 71.357 28.643 | |
| 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 | |

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 at 12/31/2004 | Currency | % of Group consolidation Interest held by | % of interest held | % of voting rights |
|--|-------------------|---------|--------------------------------|----------|--|--|--------------------------|
| 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 | | | | | | | |
| Centro Ricerche Plast-Optica S.p.A. | Amaro | Italy | 1,033,000 | EUR | 72.34 C.R.F. Società Consortile per Azioni | 51.000 | |
| Consorzio "Sirio" per la Sicurezza Industriale | Turin | Italy | 56,364 | EUR | 66.24 Fiat Auto S.p.A. | Automotive Lighting Rear Lamps Italia S.p.A. | 24.500 |
| | | | | | | Iveco S.p.A. | 36.978 |
| | | | | | | Magneti Marelli Powertrain S.p.A. | 1.661 |
| | | | | | | Fiat S.p.A. | 1.594 |
| | | | | | | Cornau S.p.A. | 1.588 |
| | | | | | | Ferrari S.p.A. | 1.545 |
| | | | | | | Teksid S.p.A. | 1.404 |
| | | | | | | Irisbus Italia S.p.A. | 1.314 |
| | | | | | | Magneti Marelli Sistemi Elettronici S.p.A. | 1.221 |
| | | | | | | Fiat Gesco S.p.A. | 1.168 |
| | | | | | | Sistemi Sospensioni S.p.A. | 1.163 |
| | | | | | | Fiat Kobelco Construction Machinery S.p.A. | 1.133 |
| | | | | | | C.R.F. Società Consortile per Azioni | 1.129 |
| | | | | | | Fiat Servizi per l'Industria S.c.p.a. | 1.064 |
| | | | | | | Fiat Ge Va. S.p.A. | 0.948 |
| | | | | | | Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni | 0.947 |
| | | | | | | Fidis S.p.A. | 0.711 |
| | | | | | | Magneti Marelli Sistemi di Scarico S.p.A. | 0.498 |
| | | | | | | CNH Italia s.p.a. | 0.494 |
| | | | | | | 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. | 0.487 |
| | | | | | | Fiat Partecipazioni S.p.A. | 0.432 |
| | | | | | | H.R. Services S.p.A. | 0.373 |
| | | | | | | Fiat Information & Communication Services società consortile per azioni | 0.219 |
| | | | | | | Astra Veicoli Industriali S.p.A. | 0.213 |
| | | | | | | Atlanet 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 |
| | | | | | | Fiat-Revisione Interna 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 |
| | | | | | | Consorzio Fiat Media Center | 0.082 |
| | | | | | | Orione-Consorzio Industriale per la Sicurezza e la Vigilanza | 0.082 |
| | | | | | | 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 |
| | | | | | | Pharos S.r.l. | 0.075 |
| | | | | | | Risk Management S.p.A. | 0.075 |
| | | | | | | Sisport Fiat Società per Azioni-SF | 0.075 |
| | | | | | | Fiat International S.p.A. | 0.045 |
| | | | | | | Palazzo Grassi S.p.A. | 0.045 |
| Automotive Lighting Rear Lamps Italia S.p.A. | 0.044 | | | | | | |
| Lavorazione Plastica S.r.l. | 0.044 | | | | | | |
| Delivery & Mail S.r.l. | 0.039 | | | | | | |
| Easy Drive S.r.l. | 0.039 | | | | | | |
| Global Value S.p.A. | 0.039 | | | | | | |
| Iveco Finanziaria S.p.A. | 0.039 | | | | | | |
| C.R.F. Società Consortile per Azioni | Orbassano | Italy | 45,400,000 | EUR | 93.81 Fiat Auto S.p.A. | 40.000 | |
| | | | | | | Iveco S.p.A. | 20.000 |
| | | | | | | Magneti Marelli Holding S.p.A. | 20.000 |
| | | | | | | CNH Italia s.p.a. | 5.000 |
| | | | | | | Cornau S.p.A. | 5.000 |
| | | | | | | Teksid S.p.A. | 5.000 |
| | | | | | | Fiat Partecipazioni S.p.A. | 4.000 |
| Ferrari S.p.A. | 1.000 | | | | | | |
| Deposito Avogadro S.r.l. | Turin | Italy | 100,000 | 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 at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|---|-------------------|----------------|-----------------------------|----------|--------------------------|--|--------------------|--------------------|
| Elasis-Società Consortile per Azioni | Pomigliano d'Arco | Italy | 20,000,000 | EUR | 91.12 | Fiat Auto S.p.A. | 56.000 | |
| | | | | | | C.R.F. Società Consortile per Azioni | 27.933 | |
| | | | | | | CNH Italia s.p.a. | 6.800 | |
| | | | | | | Iveco S.p.A. | 3.300 | |
| | | | | | | Comau S.p.A. | 1.500 | |
| | | | | | | Magneti Marelli Holding S.p.A. | 1.500 | |
| | | | | | | Fiat Partecipazioni S.p.A. | 1.450 | |
| | | | | | | Ferrari S.p.A. | 1.100 | |
| | | | | | | Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni | 0.250 | |
| | | | | | | Fiat S.p.A. | 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 | 80.000 | |
| | | | | | | Fiat Automobil AG | 20.000 | |
| Fiat Argentina S.A. | Buenos Aires | Argentina | 520.002 | ARS | 100.00 | Fiat Partecipazioni S.p.A. | 99.990 | |
| | | | | | | SGR-Sociedad para la Gestion de Riesgos S.A. | 0.010 | |
| Fiat Concord S.A. | Buenos Aires | Argentina | 1 | ARS | 100.00 | Fiat Argentina S.A. | 99.996 | |
| | | | | | | SGR-Sociedad para la Gestion de Riesgos S.A. | 0.004 | |
| Fiat do Brasil S.A. | Nova Lima | Brazil | 999.684 | BRL | 100.00 | Fiat Partecipazioni S.p.A. | 99.932 | |
| | | | | | | Fiat Gesco S.p.A. | 0.061 | |
| | | | | | | Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni | 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. | 99.994 | |
| | | | | | | Fiat do Brasil S.A. | 0.006 | |
| Fiat Finance and Trade Ltd | Luxembourg | Luxembourg | 251,494,000 | EUR | 100.00 | Fiat Ge.Va. S.p.A. | 99.993 | |
| | | | | | | Fiat Finance Canada Ltd. | 0.007 | |
| Fiat Finance Canada Ltd. | Calgary | Canada | 10,099,885 | CAD | 100.00 | Fiat Ge.Va. S.p.A. | 100.000 | |
| Fiat Finance Luxembourg S.A. | Luxembourg | Luxembourg | 100,000 | USD | 100.00 | Intermap (Nederland) B.V. | 99.000 | |
| | | | | | | Fiat Netherlands Holding N.V. | 1.000 | |
| Fiat Finance North America Inc. | Wilmington | U.S.A. | 40,090,010 | USD | 100.00 | Fiat Ge.Va. S.p.A. | 60.526 | |
| | | | | | | Fiat S.p.A. | 39.474 | |
| Fiat France S.A. | Paris | France | 55,216,000 | EUR | 100.00 | Fiat Partecipazioni S.p.A. | 100.000 | |
| Fiat Gesco UK Limited in liquidation | 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 | 91.59 | Fiat Auto S.p.A. | 46.000 | |
| | | | | | | CNH Global N.V. | 23.000 | |
| | | | | | | Fiat Netherlands Holding N.V. | 23.000 | |
| | | | | | | Business Solutions S.p.A. | 2.000 | |
| | | | | | | Fiat S.p.A. | 2.000 | |
| | | | | | | Comau S.p.A. | 1.000 | |
| | | | | | | C.R.F. Società Consortile per Azioni | 1.000 | |
| | | | | | | Magneti Marelli Holding S.p.A. | 1.000 | |
| | | | | | | Teksid S.p.A. | 1.000 | |
| Fiat Iberica S.A. | Madrid | Spain | 2,797,054 | EUR | 100.00 | Fiat Partecipazioni S.p.A. | 100.000 | |
| Fiat Information & Communication Services società consortile per azioni | Turin | Italy | 800.000 | EUR | 95.55 | Fiat S.p.A. | 51.000 | |
| | | | | | | CNH Italia s.p.a. | 10.000 | |
| | | | | | | Fiat Auto S.p.A. | 10.000 | |
| | | | | | | Iveco S.p.A. | 10.000 | |
| | | | | | | Business Solutions S.p.A. | 3.000 | |
| | | | | | | Comau S.p.A. | 3.000 | |
| | | | | | | Ferrari S.p.A. | 3.000 | |
| | | | | | | Itedi-Italiana Edizioni S.p.A. | 3.000 | |
| | | | | | | Magneti Marelli Holding S.p.A. | 3.000 | |
| | | | | | | Teksid S.p.A. | 3.000 | |
| | | | | | | Fiat Partecipazioni S.p.A. | 1.000 | |
| Fiat International S.p.A. | Turin | Italy | 61,300,000 | EUR | 100.00 | Fiat Partecipazioni S.p.A. | 100.000 | |
| Fiat Netherlands Holding N.V. | Amsterdam | Netherlands | 4,366,482,748 | EUR | 100.00 | Fiat S.p.A. | 60.563 | |
| | | | | | | Fiat Partecipazioni S.p.A. | 39.437 | |
| Fiat Partecipazioni S.p.A. | Turin | Italy | 3,924,685,869 | EUR | 100.00 | Fiat 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 at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights | | | | | | |
|---------------------------------------|-------------------|-------------|-----------------------------|----------|--------------------------|--|--------------------|--------------------|-------------|-----|--------|----------------------------|---------|--|
| Fiat Polska Sp. z o.o. | Warsaw | Poland | 25,500,000 | PLN | 99.99 | Fiat Partecipazioni S.p.A. | 99.904 | | | | | | | |
| | | | | | | Fiat Auto Poland S.A. | 0.029 | | | | | | | |
| | | | | | | Automotive Lighting Polska Sp. z o.o. | 0.010 | | | | | | | |
| | | | | | | Magneti Marelli Exhaust Systems Polska Sp. z o.o. | 0.010 | | | | | | | |
| | | | | | | Magneti Marelli Poland S.A. | 0.010 | | | | | | | |
| | | | | | | Magneti Marelli Suspension Systems Poland Sp. z o.o. | 0.010 | | | | | | | |
| | | | | | | Teksid Iron Poland Sp. z o.o. | 0.010 | | | | | | | |
| | | | | | | Business Solutions Polska Sp. z o.o. | 0.002 | | | | | | | |
| | | | | | | CNH Polska Sp. z o.o. | 0.002 | | | | | | | |
| | | | | | | Comau Poland Sp. z o.o. | 0.002 | | | | | | | |
| | | | | | | Fidis Factoring Polska Sp. z o.o. | 0.002 | | | | | | | |
| | | | | | | Fidis Finance Polska Sp. z o.o. | 0.002 | | | | | | | |
| | | | | | | Ingest Facility Polska Sp. z o.o. | 0.002 | | | | | | | |
| | | | | | | Sadi Polska-Agencja Celna Sp. z o.o. | 0.002 | | | | | | | |
| | | | | | | Sirio Polska Sp. z o.o. | 0.002 | | | | | | | |
| Iveco Poland Ltd. | 0.001 | | | | | | | | | | | | | |
| Fiat Servizi per l'Industria S.c.p.a. | Turin | Italy | 3,850,000 | EUR | 95.70 | Fiat S.p.A. | 36.468 | | | | | | | |
| | | | | | | Fiat Auto S.p.A. | 33.532 | | | | | | | |
| | | | | | | Iveco S.p.A. | 6.000 | | | | | | | |
| | | | | | | H.R. Services S.p.A. | 4.500 | | | | | | | |
| | | | | | | Magneti Marelli Holding S.p.A. | 4.000 | | | | | | | |
| | | | | | | Business Solutions S.p.A. | 3.000 | | | | | | | |
| | | | | | | CNH Italia s.p.a. | 3.000 | | | | | | | |
| | | | | | | Fiat Partecipazioni S.p.A. | 3.000 | | | | | | | |
| | | | | | | Teksid S.p.A. | 2.000 | | | | | | | |
| | | | | | | Comau S.p.A. | 1.500 | | | | | | | |
| | | | | | | C.R.F. Società Consortile per Azioni | 1.500 | | | | | | | |
| | | | | | | Editrice La Stampa S.p.A. | 1.500 | | | | | | | |
| | | | | | | IHF-Internazionale Holding Fiat S.A. | 100.000 | | | | | | | |
| | | | | | | Fiat United Kingdom Limited | London | United Kingdom | 860,000 | GBP | 100.00 | Fiat Partecipazioni S.p.A. | 100.000 | |
| | | | | | | Fiat U.S.A. Inc. | New York | U.S.A. | 16,830,000 | USD | 100.00 | Fiat S.p.A. | 100.000 | |
| Fiat-Revisione Interna S.c.r.l. | Turin | Italy | 300,000 | EUR | 93.28 | Fiat Auto S.p.A. | 20.000 | | | | | | | |
| | | | | | | Fiat Partecipazioni S.p.A. | 15.667 | | | | | | | |
| | | | | | | Fiat S.p.A. | 14.000 | | | | | | | |
| | | | | | | CNH Global N.V. | 10.000 | | | | | | | |
| | | | | | | Iveco S.p.A. | 10.000 | | | | | | | |
| | | | | | | Comau S.p.A. | 5.000 | | | | | | | |
| | | | | | | Ferrari S.p.A. | 5.000 | | | | | | | |
| | | | | | | Iledi-Italiana Edizioni S.p.A. | 5.000 | | | | | | | |
| | | | | | | Magneti Marelli Holding S.p.A. | 5.000 | | | | | | | |
| | | | | | | Teksid S.p.A. | 5.000 | | | | | | | |
| | | | | | | Business Solutions S.p.A. | 4.333 | | | | | | | |
| | | | | | | Fiat Ge.Va. S.p.A. | 1.000 | | | | | | | |
| | | | | | | IHF-Internazionale Holding Fiat S.A. | Paradiso | Switzerland | 100,000,000 | CHF | 100.00 | Fiat S.p.A. | 100.000 | |
| | | | | | | Intermap (Nederland) B.V. | Amsterdam | Netherlands | 200,000 | EUR | 100.00 | Fiat Partecipazioni S.p.A. | 100.000 | |
| | | | | | | Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni | Turin | Italy | 300,000 | EUR | 95.36 | Fiat S.p.A. | 26.000 | |
| Fiat Auto S.p.A. | 22.000 | | | | | | | | | | | | | |
| Iveco S.p.A. | 17.000 | | | | | | | | | | | | | |
| CNH Italia s.p.a. | 12.000 | | | | | | | | | | | | | |
| Magneti Marelli Holding S.p.A. | 9.000 | | | | | | | | | | | | | |
| Comau S.p.A. | 8.000 | | | | | | | | | | | | | |
| Business Solutions S.p.A. | 3.000 | | | | | | | | | | | | | |
| Teksid S.p.A. | 3.000 | | | | | | | | | | | | | |
| Fiat France S.A. | 100.000 | | | | | | | | | | | | | |
| La Stampa Europe SAS | Paris | France | 18,600,000 | EUR | 100.00 | | | | | | | Fiat France S.A. | 100.000 | |
| Neptunia Assicurazioni Marittime S.A. | Lausanne | 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 | |
| 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 | |
| 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 | 95.90 | Fiat Servizi per l'Industria S.c.p.a. | 95.238 | | | | | | | |
| | | | | | | Fiat Partecipazioni S.p.A. | 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 at 12/31/2004 | Currency | % of Group consolidation Interest held by | % of 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 | 160,000,000 | THB | 90.00 | Fiat Auto S.p.A. | 99.999 |
| Andalcar Motor S.L. | Jerez | Spain | 2,186,928 | EUR | 90.00 | Inmap 2000 Espana S.L. | 100.000 |
| Auto Italia Erfurt GmbH in liquidation | Erfurt | Germany | 2,985,000 | EUR | 90.00 | Fiat Automobili Vertriebs GmbH | 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 Company SAE | Giza | Egypt | 50,000,000 | EGP | 72.36 | Fiat Auto S.p.A. | 80.400 |
| Fiat Auto Egypt S.A.E. | Giza | Egypt | 5,000,000 | 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. | 99.900 |
| | | | | | | Fiat Argentina S.A. | 0.100 |
| Fiat Auto Thailand Pvt. Ltd. | Bangkok | Thailand | 300,000,000 | THB | 90.00 | Fiat Auto S.p.A. | 100.000 |
| Fiat Automoviles Venezuela C.A. | Caracas | Venezuela | 300,000 | VEB | 90.00 | Fiat Automovels 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. | Fiunicino | Italy | 319,200,000 | EUR | 45.90 | Fidis Renting Italia S.p.A. | 51.000 |
| Multipoint Sevilla S.A. | Siviglia | Spain | 2,336,596 | EUR | 90.00 | Inmap 2000 Espana S.L. | 100.000 |
| Sirio Polska Sp. z o.o. | Bielsko-Biala | Poland | 1,350,000 | PLN | 90.00 | Fiat Auto Poland S.A. | 99.963 |
| | | | | | | Fiat Polska Sp. z o.o. | 0.037 |
| Targa Trafficmaster S.p.A. | Turin | Italy | 3,453,000 | EUR | 89.00 | Fidis S.p.A. | 98.886 |
| 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 | | | | | | | |
| Farmers New Holland Inc. | Wilmington | U.S.A. | 650,000 | USD | 84.54 | CNH America LLC | 100.000 |
| La Grande New Holland Inc. | Wilmington | U.S.A. | 404,800 | USD | 64.12 | CNH America LLC | 75.840 |
| Medicine Hat New Holland Ltd. | Ottawa | Canada | 977,000 | CAD | 74.56 | New Holland Canada Ltd. | 88.188 |
| Memphis New Holland Inc. | Wilmington | U.S.A. | 487,600 | USD | 81.79 | CNH America LLC | 96.739 |
| Northside New Holland Inc. | Wilmington | U.S.A. | 250,000 | USD | 77.78 | CNH America LLC | 92.000 |
| Pensacola Tractor & Equipment Inc. | Wilmington | U.S.A. | 330,000 | USD | 84.54 | CNH America LLC | 100.000 |
| Ridgeview New Holland Inc. | Wilmington | U.S.A. | 440,000 | USD | 67.61 | CNH America LLC | 79.977 |
| St. Catharines New Holland Ltd. | Ottawa | Canada | 327,700 | CAD | 57.22 | New Holland Canada Ltd. | 67.684 |
| Sunrise Tractor & Equipment Inc. | Wilmington | U.S.A. | 875,000 | USD | 78.55 | CNH America LLC | 92.914 |
| Tri-County New Holland Inc. | Wilmington | U.S.A. | 400,000 | USD | 84.54 | CNH America LLC | 100.000 |
| Commercial Vehicles | | | | | | | |
| Altra S.p.A. | Genoa | Italy | 516,400 | EUR | 66.67 | Irisbus Italia S.p.A. | 66.670 |
| F. Pegaso S.A. | Madrid | Spain | 993,045 | EUR | 100.00 | Iveco Pegaso S.L. | 100.000 |
| Financière Pegaso France S.A. | Trappes | France | 260,832 | EUR | 100.00 | Iveco Pegaso S.L. | 100.000 |
| Iveco S.P.R.L. | Kinshasa | Dem. Rep. of Congo | 340,235,000 | CDF | 100.00 | Iveco S.p.A. | 99.992 |
| | | | | | | Astra Veicoli Industriali S.p.A. | 0.008 |
| Components | | | | | | | |
| Cofap Fabricadora de Pecas Ltda | Santo Andre | Brazil | 60,838,291 | BRL | 68.14 | Magneti Marelli do Brasil Industria e Comercio SA | 68.350 |
| Seima Italiana Auto Svet | Krasnyy Oktyabr Kirz | Russia | 14,574,000 | RUR | 99.99 | Automotive Lighting Rear Lamps Italia S.p.A. | 100.000 |
| Production Systems | | | | | | | |
| Comau AGS S.p.A. | Grugliasco | Italy | 1,000,000 | EUR | 100.00 | Comau S.p.A. | 100.000 |
| Comau Australia Pty. Ltd | Wingfield | Australia | 765,589 | AUD | 100.00 | Comau S.p.A. | 100.000 |
| Comau Russia OOO | Moscow | Russia | 4,770,225 | RUR | 100.00 | Comau S.p.A. | 99.000 |
| | | | | | | Comau Deutschland GmbH | 1.000 |
| Sciaky s.a.s. | Bonneuil Sur Marne | France | 795,077 | EUR | 99.76 | Comau Sciaky S.A. | 100.000 |
| Metallurgical Products | | | | | | | |
| Teksid of India Private Limited Company in liquidation | Bardez-Goa | India | 403,713,830 | INR | 80.48 | Teksid S.p.A. | 100.000 |
| Services | | | | | | | |
| Cromos Consulenza e Formazione S.r.l. in liquidation | Turin | Italy | 13,000 | EUR | 76.00 | Business Solutions S.p.A. | 76.000 |
| Matrix S.r.l. in liquidation | Turin | Italy | 30,000 | EUR | 99.95 | Business Solutions S.p.A. | 99.000 |
| | | | | | | Isvor Fiat Società consortile di sviluppo e addet: | 1.000 |
| Publishing and Communications | | | | | | | |
| BMI S.p.A. | Genoa | Italy | 124,820 | EUR | 58.00 | Itedi-Italiana Edizioni S.p.A. | 58.004 |
| 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. | 49.000 |
| | | | | | | Iveco S.p.A. | 30.000 |
| | | | | | | C.R.F. Società Consortile per Azioni | 11.000 |
| European Engine Alliance EEIG | Basildon | United Kingdom | 0 | GBP | 61.51 | CNH U.K. Limited | 33.333 |
| | | | | | | Iveco S.p.A. | 33.333 |
| Fiat (China) Business Co., Ltd. | Beijing | People's Rep. of China | 500,000 | USD | 100.00 | Fiat Partecipazioni S.p.A. | 100.000 |
| Fiat Russia OOO | Moscow | Russia | 18,509,050 | RUR | 100.00 | Fiat Partecipazioni S.p.A. | 80.000 |
| | | | | | | Fiat International S.p.A. | 20.000 |
| Isvor Dealermet S.r.l. in liquidation | Turin | Italy | 10,000 | EUR | 94.29 | Isvor Fiat Società consortile di sviluppo e addet: | 80.000 |
| | | | | | | Fiat Auto S.p.A. | 20.000 |
| Luganov S.A. | Lugano | Switzerland | 3,000,000 | CHF | 100.00 | BUC - Banca Unione di Credito | 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 liquidation | Rivoli | Italy | 9,544,080 | EUR | 99.79 | Fiat Partecipazioni S.p.A. | 99.785 |

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 at 12/31/2004 | Currency | % of Group consolidation Interest held by | % of 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 liquidation | Mexico City | Mexico | 50,000 | MXN | 90.00 | Fiat Auto S.p.A. Fiat Automoveis S.A. - FIASA | 99.998 0.002 |
| Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico | Alcalá 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. Fidis S.p.A. | 99.000 1.000 |
| Powertrain India Pvt. Ltd. in liquidation | 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 | | | | | | | |
| Case Credit Wholesale Pty. Limited | St. Marys | Australia | 347,750 | AUD | 84.54 | CNH Australia Pty Limited | 100.000 |
| Consorzio Fiat-Kobelco Isvor Dealernet Rete in liquidation | San Mauro Torinese | Italy | 20,658 | EUR | 41.75 | Fiat Kobelco Construction Machinery S.p.A. Isvor Dealernet S.r.l. in liquidazione | 47.500 12.500 |
| Farmec North America Inc. | Wilmington | U.S.A. | 5 | USD | 84.54 | CNH America LLC | 100.000 |
| International Harvester Company | Wilmington | U.S.A. | 1,000 | USD | 84.54 | CNH America LLC | 100.000 |
| J.J. Case Company Limited | Basildon | United Kingdom | 2 | GBP | 84.54 | Case United Kingdom Limited | 100.000 |
| Commercial Vehicles | | | | | | | |
| Consorzio per la Formazione Commerciale Iveco-Coforma | Turin | Italy | 51,646 | EUR | 59.54 | Iveco S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni | 50.000 10.000 |
| Gestrans S.A. | Suresnes | France | 45,730 | EUR | 100.00 | Irisbus France S.A. | 100.000 |
| Iran Magirus-Deutz | Teheran | Iran | 180,000,000 | IRR | 100.00 | Iveco Magirus AG | 100.000 |
| Irisbus North America Limited Liability Company | Dover | U.S.A. | 20,000 | USD | 100.00 | Irisbus France S.A. | 100.000 |
| Iveco Defence Vehicles S.p.A. | Bolzano | Italy | 100,000 | EUR | 100.00 | Iveco S.p.A. | 100.000 |
| M.R. Fire Fighting International S.A. | Brasov | Romenia | 35,000,000 | ROL | 75.88 | Iveco Magirus Brandschutztechnik GmbH Brandschutztechnik Gorlitz GmbH Iveco Eurofire (Holding) GmbH | 74.000 1.000 1.000 |
| Components | | | | | | | |
| Automotive Lighting Japan K.K. | KohoKu-Ku-Yokohama | Japan | 10,000,000 | JPY | 99.99 | Automotive Lighting Reutlingen GmbH | 100.000 |
| Magneti Marelli Automotive Components (India) Limited | Pune | India | 125,000,000 | INR | 99.99 | Magneti Marelli Components B.V. | 100.000 |
| Magneti Marelli Electronic Systems (Asia) Limited | Hong Kong | People's Rep. of China | 10,000 | HKD | 99.99 | Magneti Marelli Sistemi Elettronici S.p.A. Magneti Marelli Systèmes Electroniques France S.A.S. | 99.990 0.010 |
| Yorka Northamerica Corp. | Southfield | U.S.A. | 10,000 | USD | 99.99 | Yorka de Mexico S.r.l. de CV | 100.000 |
| Production Systems | | | | | | | |
| Comau (Shanghai) International Trading Co. Ltd. | Shanghai | People's 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 | | | | | | | |
| Consorzio Polaris | Turin | Italy | 3,099 | EUR | 86.63 | Matrix S.r.l. in liquidazione | 86.673 |
| CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali | Turin | Italy | 15,000 | EUR | 60.00 | Ingest Facility S.p.A. | 60.000 |
| 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 | 60.00 | Ingest Facility S.p.A. | 60.000 |
| Miscellaneous and Holding companies | | | | | | | |
| Centro.com S.r.l. | Turin | Italy | 10,094 | 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 at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|--|-------------------|----------------|-----------------------------|----------|--------------------------|--|--------------------|--------------------|
| Consorzio Fiat Media Center | Turin | Italy | 222,076 | EUR | 45.89 | Astra Veicoli Industriali S.p.A. | 1.852 | |
| | | | | | | Atlanet S.p.A. | 1.852 | |
| | | | | | | Business Solutions S.p.A. | 1.852 | |
| | | | | | | Clickar Assistance S.r.l. | 1.852 | |
| | | | | | | CNH Italia s.p.a. | 1.852 | |
| | | | | | | Comau S.p.A. | 1.852 | |
| | | | | | | Editrice La Stampa S.p.A. | 1.852 | |
| | | | | | | eSPIN S.p.A. | 1.852 | |
| | | | | | | Fast-Buyer S.p.A. | 1.852 | |
| | | | | | | Fiat Auto S.p.A. | 1.852 | |
| | | | | | | Fiat Center Italia S.p.A. | 1.852 | |
| | | | | | | Fiat Gesco S.p.A. | 1.852 | |
| | | | | | | Fiat Information & Communication Services società consortile per azioni | 1.852 | |
| | | | | | | Fiat S.p.A. | 1.852 | |
| | | | | | | Global Value S.p.A. | 1.852 | |
| | | | | | | Irisbus Italia S.p.A. | 1.852 | |
| | | | | | | Itedi-Italiana Edizioni S.p.A. | 1.852 | |
| | | | | | | Iveco S.p.A. | 1.852 | |
| | | | | | | Leasys S.p.A. | 1.852 | |
| | | | | | | Magneti Marelli After Market S.p.A. | 1.852 | |
| | | | | | | Maserati S.p.A. | 1.852 | |
| | | | | | | Palazzo Grassi S.p.A. | 1.852 | |
| | | | | | | Pharos S.r.l. | 1.852 | |
| Savarent Società per Azioni | 1.852 | | | | | | | |
| Sestrieres S.p.A. | 1.852 | | | | | | | |
| Targa Infomobility S.p.A. | 1.852 | | | | | | | |
| WorkNet società di fornitura di lavoro temporaneo-per azioni | 1.852 | | | | | | | |
| Fiat Common Investment Fund Limited | London | United Kingdom | 2 | GBP | 100.00 | Fiat United Kingdom Limited | 100.000 | |
| Fiat Oriente S.A.E. in liquidation | Cairo | Egypt | 50,000 | EGP | 100.00 | Fiat Partecipazioni S.p.A. | 100.000 | |
| Fides Corretagens de Securos Ltda | Nova Lima | Brazil | 365,525 | BRL | 100.00 | Rimaco S.A. | 99.998 | |
| ISVOR DILTS Leadership Systems Inc. | Burlingame | U.S.A. | 1,000 | USD | 48.63 | Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni | 51.000 | |
| Isvor Fiat India Private Ltd. in liquidation | New Delhi | India | 1,750,000 | INR | 95.36 | 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 liquidation | Lugano | Switzerland | 100,000 | CHF | 100.00 | BUC - Banca Unione di Credito | 100.000 | |
| Norfinance & Associés S.A. in liquidation | Geneva | Switzerland | 4,600,000 | CHF | 100.00 | BUC - Banca Unione di Credito | 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.p.A. | Turin | Italy | 120,000 | 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 | |
| Orione-Consorzio Industriale per la Sicurezza e la Vigilanza | Turin | Italy | 26,342 | EUR | 95.61 | Fiat S.p.A. | 82.010 | |
| | | | | | | Editrice La Stampa S.p.A. | 2.000 | |
| | | | | | | Fiat Auto S.p.A. | 2.000 | |
| | | | | | | CNH Italia s.p.a. | 1.000 | |
| | | | | | | Comau S.p.A. | 1.000 | |
| | | | | | | Fiat Gesco S.p.A. | 1.000 | |
| | | | | | | Fiat Ge.Va. S.p.A. | 1.000 | |
| | | | | | | 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 | |

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 at 12/31/2004 | Currency | % of Group consolidation Interest held by | % of 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 Véhicules Légers 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 |
| Targasys S.r.l. | Turin | Italy | 4,322,040 | EUR | 36.00 | Fidis S.p.A. | 40.000 |
| Tofas-Turk Otomobil Fabrikasi Tofas A.S. | Levent | Turkey | 450,000,000,000 | TRL | 34.07 | Fiat Auto S.p.A. | 37.856 |
| Agricultural and Construction Equipment | | | | | | | |
| Al-Ghazi Tractors Ltd | Karachi | Pakistan | 195,165,660 | PKR | 36.50 | CNH Global N.V. | 43.170 |
| Challenger New Holland Ltd. | Ottawa | Canada | 589,600 | CAD | 40.13 | New Holland Canada Ltd. | 47.473 |
| CNH Capital Europe S.a.S. | Puteaux | France | 88,482,297 | EUR | 42.19 | CNH Global N.V. | 49.900 |
| CNH de Mexico SA de CV | Sao Pedro | Mexico | 165,276,000 | MXN | 42.27 | CNH Global N.V. | 50.000 |
| Consolidated Diesel Company | Whitakers | U.S.A. | 100 | USD | 42.27 | CNH Engine Corporation | 50.000 |
| Employers Health Initiatives LLC | Wilmington | U.S.A. | 0 | USD | 42.27 | CNH America LLC | 50.000 |
| Kobelco Construction Machinery Co. Ltd. | Hiroshima | Japan | 320,000,000,000 | JPY | 16.91 | CNH Italia s.p.a. | 20.000 |
| LBX Company LLC | Wilmington | U.S.A. | 0 | USD | 42.27 | Case LBX Holdings Inc. | 50.000 |
| L&T Case Equipment Limited | Mumbai | India | 240,100,000 | INR | 42.27 | CNH America LLC | 50.000 |
| Megavolt L.P. L.L.P. | Wilmington | U.S.A. | 500,000 | USD | 33.82 | CNH America LLC | 40.000 |
| New Holland Finance Ltd | Basingstoke | United Kingdom | 2,900,001 | GBP | 41.43 | CNH Global N.V. | 49.000 |
| New Holland HFT Japan Inc. | Sapporo | Japan | 240,000,000 | JPY | 42.27 | CNH Global N.V. | 50.000 |
| New Holland Trakmak Traktor A.S. | Izmir | Turkey | 800,000,000,000 | TRL | 31.70 | CNH Global N.V. | 37.500 |
| Rathell Farm Equipment Company Inc. | Wilmington | U.S.A. | 640,000 | USD | 36.58 | CNH America LLC | 43.266 |
| Turk Traktor Ve Ziraat Makineleri A.S. | Ankara | Turkey | 47,000,000,000,000 | TRL | 31.70 | 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 |
| Closed Joint Stock Company "AUTO-MS" | Zaporozhye | Ukraine | 26,568,000 | UAK | 38.62 | Iveco S.p.A. | 38.618 |
| Electronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.) | Turin | Italy | 109,200 | EUR | 50.00 | Iveco S.p.A. | 50.000 |
| GEIE V.IV.RE | Boulogne | France | 0 | EUR | 50.00 | Iveco S.p.A. | 50.000 |
| Haveco Automotive Transmission Co. Ltd. | Zhajiang | 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. | Samandira-Kartal/Istanbul | Turkey | 1,590,000,000,000 | TRL | 27.00 | Iveco S.p.A. | 27.000 |
| Otoyol Sanayi A.S. | Samandira-Kartal/Istanbul | Turkey | 36,750,000,000,000 | 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.IV.RE Gruppo Europeo di Interesse Economico | Turin | Italy | 0 | EUR | 50.00 | Iveco S.p.A. | 50.000 |
| Ferrari and Maserati | | | | | | | |
| Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd. | Shanghai | People's Rep. of China | 3,000,000 | USD | 22.40 | Ferrari S.p.A. | 40.000 |
| Components | | | | | | | |
| Mako Elektrik Sanay Ve Ticaret A.S. | Osmanгази Bursa | Turkey | 16,500,000,000,000 | TRL | 43.00 | Magneti Marelli Holding S.p.A. | 43.000 |
| Production Systems | | | | | | | |
| Gonzalez Production Systems Inc. | Pontiac | U.S.A. | 10,000 | USD | 49.00 | Comau Pico Holdings Corporation | 49.000 |
| G.P. Properties 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 | 306,688,237 | 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 Soluções Ltda | Nova Lima | Brazil | 2,000 | BRL | 50.00 | Business Solutions do Brasil Ltda | 50.000 |
| Servizio Titoli S.p.A. | Turin | Italy | 126,000 | EUR | 27.24 | Business Solutions S.p.A. | 27.238 |
| S.I.NO.DO. - Sistema Informativo Normativa Doganale in liquidation | 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 |
| Miscellaneous and Holding companies | | | | | | | |
| IPI S.p.A. | Turin | Italy | 40,784,134 | EUR | 10.00 | Fiat Partecipazioni S.p.A. | 10.000 |
| Italenergia Bis S.p.A. | Turin | Italy | 906,624,000 | EUR | 24.61 | Fiat Energia S.r.l. | 24.613 |
| Livingstone Motor Assemblers Ltd. | Livingstone | Zambia | 20,000,000 | ZMK | 20.00 | Fiat Partecipazioni S.p.A. | 20.000 |
| Lombard Bank Malta PLC | Valletta | Malta | 2,056,630 | MTL | 26.53 | BUC - Banca Unione di Credito | 26.531 |
| Rizzoli Corriere della Sera MediaGroup S.p.A. | Milan | Italy | 762,019,050 | EUR | 9.80 | Fiat Partecipazioni S.p.A. | 9.797 |
| 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 at 12/31/2004 | Currency | % of Group consolidation Interest held by | % of interest held | % of voting rights |
|---|-----------------------|------------------------|-----------------------------|----------|--|--------------------|--------------------|
| Associated companies valued at cost | | | | | | | |
| Automobiles | | | | | | | |
| Car City Club S.r.l. | Turin | Italy | 390,000 | EUR | 29.70 Savarent Società per Azioni | | 33.000 |
| Consorzio per la Reindustrializzazione dell'area di Arese S.r.l. | Arese | Italy | 1,020,000 | EUR | 27.00 Fiat Auto S.p.A. | | 30.000 |
| Fabrication Automobiles de Tiaaret SpA | Wilaya de Tiaaret | Algeria | 1,225,000,000 | DZD | 32.91 Fiat Auto S.p.A. | | 36.571 |
| Fidis Rent GmbH | Frankfurt | Germany | 50,000 | EUR | 44.10 Fiat Handlervservice GmbH | | 49.000 |
| 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. | | 48.973 |
| 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 |
| Sotra S.A. | Abidjian | Ivory Coast | 3,000,000,000 | XAF | 39.80 Irisbus France S.A. | | 39.800 |
| Zastava-Kamioni D.O.O. | Kragujevac | Serbia and Montenegro | 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 |
| Iniziativa Fiorano S.r.l. | Modena | Italy | 90,000 | EUR | 18.67 Ferrari S.p.A. | | 33.333 |
| 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 | 2,400,000,000,000 | 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 |
| 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 | 26.82 Teksid Hierro de Mexico S.A. de C.V. | | 33.330 |
| Services | | | | | | | |
| Multiservizi Reggio Calabria - Società per Azioni | Reggio di Calabria | Italy | 120,000 | EUR | 29.40 Gestione Servizi Territoriali S.r.l. | | 49.000 |
| Niugarit.Promocao e Desenvolvimento de Actividades Industriais em Cooperacao Ltda | Lisbon | Portugal | 49,880 | EUR | 29.97 Fast-Buyer S.p.A. | | 30.000 |
| S.I.MA GEST2 Società Consortile a Responsabilità Limitata | Zola Predosa | Italy | 50,000 | EUR | 30.00 Ingest Facility S.p.A. | | 30.000 |
| Società Cooperativa Delta Più r.l. in liquidation | Trieste | Italy | 44,865 | EUR | 34.96 Cromos Consulenza e Formazione S.r.l. in liquidazione | | 46.000 |
| Miscellaneous and Holding companies | | | | | | | |
| Agenzia Internazionalizzazione Imprese Torino S.r.l. 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 liquidation | 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 | 48.17 Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni | | 35.000 |
| | | | | | Isvor Knowledge System S.p.A. | | 15.000 |
| Consorzio Oto-BPD in liquidation | 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 | 241,961 | EUR | 29.30 CNH Italia s.p.a. | | 10.672 |
| | | | | | Fiat Auto S.p.A. | | 10.672 |
| | | | | | Iveco S.p.A. | | 10.672 |
| Consorzio Prode | Naples | Italy | 51,644 | EUR | 45.56 Elasis-Società Consortile per Azioni | | 50.000 |
| Consorzio Scire | Pomigliano d'Arco | Italy | 51,644 | EUR | 45.56 Elasis-Società Consortile per Azioni | | 50.000 |
| Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II | Naples | Italy | 127,500 | EUR | 18.22 Elasis-Società Consortile per Azioni | | 20.000 |
| Expo 2000 - S.p.A. | Turin | Italy | 2,828,750 | EUR | 24.50 Fiat Partecipazioni S.p.A. | | 24.498 |
| FMA-Consultoria e Negocios Ltda | Sao Paolo | Brazil | 1 | BRL | 50.00 Fiat do Brasil S.A. | | 50.000 |
| Giraglia Immobiliare S.p.A. | Milan | Italy | 3,500,000 | EUR | 28.24 Fiat Partecipazioni S.p.A. | | 28.240 |
| Immobiliare Novoli S.p.A. | Florence | Italy | 20,640,000 | EUR | 40.00 Fiat Partecipazioni S.p.A. | | 40.000 |
| Interfinanziaria S.A. | Paradiso | Switzerland | 1,000,000 | CHF | 33.33 IHF-Internazionale Holding Fiat S.A. | | 33.330 |
| Italpark-Società per Infrastrutture Ausiliarie di Trasporti S.p.A. in liquidation | 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 |
| Maire Engineering S.p.A. | Rome | Italy | 7,857,143 | EUR | 30.00 Fiat Partecipazioni S.p.A. | | 30.000 |
| 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 | 19.54 Ferrari S.p.A. | | 16.364 |
| | | | | | CNH Italia s.p.a. | | 12.273 |
| Presse Europe Régions S.A. | Paris | France | 62,087,232 | EUR | 25.28 La Stampa Europe SAS | | 25.280 |
| QSF Qualità Servizi Formazione GEIE | Turin | Italy | 10,329 | EUR | 23.84 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 | 23.45 C.R.F. Società Consortile per Azioni | | 25.000 |
| Zetesis S.p.A. | Milan | Italy | 494,000 | 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 at 12/31/2004 | Currency | % of Group consolidation Interest held by | % of interest held | % of voting rights |
|--|-------------------|--------------------|--------------------------------|----------|--|--|--------------------------|
| Other companies valued at cost | | | | | | | |
| Agricultural and Construction Equipment | | | | | | | |
| Polagris S.A. | Pikieliszki | Lithuania | 1,133,400 | LTT | 9.35 | 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 Company | 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 |
| Consorzio Topix | Turin | Italy | 932,000 | EUR | 11.23 | Atlanet S.p.A. | 11.230 |
| H.R.O. Polska Sp. z o.o. | Bielsko-Biala | Poland | 400,000 | PLN | 18.00 | Business Solutions Polska Sp. z o.o. | 18.000 |
| We-Cube.Com S.p.A. | Turin | Italy | 666,668 | EUR | 14.79 | Business Solutions S.p.A. | 14.790 |
| Miscellaneous and Holding companies | | | | | | | |
| Ascal Servizi S.r.l. | Rome | Italy | 73,337 | EUR | 13.43 | Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni | 14.080 |
| Consorzio Sorore | Siena | Italy | 9,296 | EUR | 16.66 | Fiat Partecipazioni S.p.A. | 16.663 |
| Consorzio Technapoli | Naples | Italy | 1,626,855 | EUR | 10.12 | Elasis-Società Consortile per Azioni | 11.110 |
| Ercole Marelli & C. S.p.A. in liquidation | Milan | Italy | 9,633,000 | EUR | 13.00 | Fiat Partecipazioni S.p.A. | 13.000 |
| Euromedia Luxembourg One S.A. | Luxembourg | Luxembourg | 52,500,000 | USD | 14.29 | Fiat Netherlands Holding N.V. | 14.286 |
| Fin.Priv. S.r.l. | Milan | Italy | 20,000 | EUR | 14.29 | Fiat S.p.A. | 14.285 |
| IRCC-Istituto per la Ricerca e la Cura del Cancro-Torino S.p.A. | Turin | Italy | 15,500,000 | EUR | 19.36 | Fiat Partecipazioni S.p.A. | 19.355 |
| Istituto Europeo di Oncologia S.r.l. | Milan | Italy | 57,305,382 | EUR | 10.90 | Fiat Partecipazioni S.p.A. | 10.903 |
| Lingotto S.p.A. | Turin | Italy | 17,264,000 | EUR | 17.02 | Fiat Partecipazioni S.p.A. | 17.019 |
| 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 | Princip. 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.
(52.96%-owned subsidiary of IFIL Group)

| Name | Country | Capital Stock at 12/31/2004 | 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 ARJOWIGGINS PAPIERS COUCHES SAS | 99.200 | 99.200 |
| ANTALIS A.B. | SWEDEN | 1,000,000.00 | SEK | 100.00 ANTALIS INTERNATIONAL HOLDINGS BV | 100.000 | 100.000 |
| ANTALIS AG | SWITZERLAND | 3,000,000.00 | CHF | 100.00 ANTALIS (SWITZERLAND) AG | 100.000 | 100.000 |
| ANTALIS A/S | DENMARK | 4,000,000.00 | DKK | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| ANTALIS AS | LATVIA | 533,900.00 | LVL | 100.00 ANTALIS INTERNATIONAL HOLDINGS BV | 99.960 | 99.960 |
| ANTALIS A.S. | SLOVAK REP. | 2,000,000.00 | SKK | 100.00 ANTALIS S.R.O. ANTALIS INTERNATIONAL HOLDINGS BV | 61.000 39.000 | 61.000 39.000 |
| ANTALIS BOLIVIA SRL | BOLIVIA | 2,775,000.00 | BOB | 100.00 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 | UNITED KINGDOM | 39,776,643.00 | GBP | 100.00 ANTALIS GROUP PROTALIS LIMITED | 100.000 0.000 | 100.000 0.000 |
| ANTALIS GMBH | GERMANY | 4,725,000.00 | EUR | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| ANTALIS GROUP HOLDINGS LIMITED | UNITED KINGDOM | 200,000,000.00 | EUR | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| ANTALIS GROUP | UNITED KINGDOM | 73,987,723.00 | GBP | 100.00 ANTALIS GROUP HOLDINGS LIMITED PROTALIS LIMITED | 100.000 0.000 | 100.000 0.000 |
| ANTALIS HOLDINGS LIMITED | UNITED KINGDOM | 86,244,205.00 | GBP | 100.00 ANTALIS GROUP | 100.000 | 100.000 |
| ANTALIS (HONG KONG) LIMITED | HONG KONG (CHINA) | 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 SAS | 100.000 | 100.000 |
| ANTALIS INTERNATIONAL HOLDINGS BV | NETHERLANDS | 21,500.00 | EUR | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| ANTALIS INTERNATIONAL SAS | FRANCE | 986,880,573.00 | EUR | 100.00 WORMS & CIE S.A. A DIRECTOIRE ET CS | 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 LIETUVA UAB | LITHUANIA | 4,000,000.00 | LTL | 0.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| ANTALIS LIMITED | UNITED KINGDOM | 71,346,866.00 | GBP | 100.00 ANTALIS HOLDINGS LIMITED | 100.000 | 100.000 |
| ANTALIS NV/SA | BELGIUM | 7,437,128.00 | EUR | 100.00 ANTALIS INTERNATIONAL HOLDINGS BV ARJO WIGGINS BELGIUM S.A. | 99.995 0.002 | 99.995 0.002 |
| 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 | 7,948,114.00 | GBP | 100.00 ANTALIS GROUP | 100.000 | 100.000 |
| ANTALIS OY | FINLAND | 1,918,600.00 | FIM | 100.00 ANTALIS INTERNATIONAL HOLDINGS BV | 100.000 | 100.000 |
| ANTALIS PERU SA | PERU | 5,590,261.61 | SOL | 100.00 INVERSIONES EXTERIOR SA 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 SAS | 100.000 | 100.000 |
| ANTALIS PROMOTIONAL PRODUCTS BV | NETHERLANDS | 2,000,000.00 | NLG | 100.00 MÜHLEBACH B.V. | 100.000 | 100.000 |
| ANTALIS PROMOTIONAL PRODUCTS GMBH | GERMANY | 12,525,000.00 | EUR | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| ANTALIS PROMOTIONAL PRODUCTS (HONG-KONG) | HONG KONG (CHINA) | 100,000.00 | HKD | 100.00 ANTALIS INTERNATIONAL SAS ANTALIS (HONG KONG) LIMITED | 99.000 1.000 | 99.000 1.000 |
| ANTALIS PROMOTIONAL PRODUCTS S.L. SU | SPAIN | 26,913,010.00 | EUR | 100.00 ANTALIS IBERIA SA MÜHLEBACH B.V. | 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 SA | ROMENIA | 2,400,000,000.00 | ROL | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| ANTALIS SA HOLDINGS LIMITED | UNITED KINGDOM | 1,000.00 | GBP | 100.00 ANTALIS GROUP | 100.000 | 100.000 |
| ANTALIS SNC | FRANCE | 22,479,066.00 | EUR | 100.00 ANTALIS INTERNATIONAL SAS ANTALIS PURCHASING SASU | 100.000 0.000 | 100.000 0.000 |
| ANTALIS SPA | ITALY | 45,677,664.00 | EUR | 99.00 ANTALIS INTERNATIONAL SAS ANTALIS EUROPE HOLDINGS | 98.995 0.000 | 98.995 0.000 |
| ANTALIS S.R.O. | CZECH REPUBLIC | 62,200,000.00 | CZK | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| ANTALIS (SWITZERLAND) AG | SWITZERLAND | 10,000,000.00 | CHF | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| ANTALIS (THAILAND) LIMITED | THAILAND | 30,000,000.00 | THB | 84.00 ANTALIS OVERSEAS HOLDINGS LIMITED SHRIRO 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 |
| 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 ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJOWIGGINS CHARTHAM LIMITED | UNITED KINGDOM | 6,000,000.00 | GBP | 100.00 THE WIGGINS TEAPE GROUP LIMITED | 100.000 | 100.000 |
| ARJOWIGGINS LE BOURRAY SAS | FRANCE | 1,351,577.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJOWIGGINS PAPIERS COUCHES SAS | FRANCE | 87,916,250.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJOWIGGINS RIVES SAS | FRANCE | 30,000,000.00 | EUR | 100.00 ARJOWIGGINS CANSON SAS | 100.000 | 100.000 |
| ARJOWIGGINS SAS | FRANCE | 165,920,000.00 | EUR | 100.00 WORMS & CIE S.A. A DIRECTOIRE ET CS | 100.000 | 100.000 |

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A.
(52.96%-owned subsidiary of IFIL Group)

| Name | Country | Capital Stock at 12/31/2004 | Currency | % of Group consolidation Interest held by | % interest held | % of voting rights |
|--|------------------------|--------------------------------|----------|--|--------------------|-----------------------|
| ARJOWIGGINS SECURITY SAS | FRANCE | 70,000,000.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJO WIGGINS APPLETON INSURANCE LIMITED | GUERNSEY | 2,000,000.00 | GBP | 100.00 THE WIGGINS TEAPE GROUP LIMITED | 100.000 | 100.000 |
| | | | | ARJO WIGGINS UK HOLDINGS LIMITED | 0.000 | 0.000 |
| ARJO WIGGINS AUSTRALIA PTY LIMITED | AUSTRALIA | 200,000.00 | AUD | 99.99 ARJO WIGGINS BELGIUM S.A. | 100.000 | 100.000 |
| ARJO WIGGINS AUSTRALIA PTY LIMITED | AUSTRALIA | 400,000.00 | AUD | 100.00 CANSON INTERNATIONAL SAS | 91.500 | 91.500 |
| | | | | ARJOWIGGINS SAS | 8.500 | 8.500 |
| ARJO WIGGINS BELGIUM HOLDINGS S.A. | BELGIUM | 193,852,736.37 | EUR | 100.00 ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED | 99.998 | 99.998 |
| | | | | ARJO WIGGINS LIMITED | 0.002 | 0.002 |
| ARJO WIGGINS BELGIUM S.A. | UNITED KINGDOM | 32,500,000.00 | EUR | 99.99 ARJO WIGGINS BELGIUM HOLDINGS S.A. | 99.990 | 99.990 |
| | | | | ARJO WIGGINS LIMITED | 0.000 | 0.000 |
| ARJO WIGGINS CANSON KK | JAPAN | 20,000,000.00 | JPY | 100.00 CANSON INTERNATIONAL SAS | 100.000 | 100.000 |
| ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED | UNITED KINGDOM | 2.00 | GBP | 100.00 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 ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJO WIGGINS CARBONLESS PAPERS INTERNATIONAL LTD | UNITED KINGDOM | 75,000.00 | GBP | 100.00 ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED | 100.000 | 100.000 |
| ARJO WIGGINS CARBONLESS PAPERS LIMITED | UNITED KINGDOM | 2.00 | GBP | 100.00 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 DEUTSCHLAND GMBH | GERMANY | 12,271,005.15 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJO WIGGINS ERMSTAL GMBH & CO. KG | GERMANY | 54,836,054.26 | EUR | 100.00 ARJO WIGGINS GERMANY HOLDINGS LIMITED | 48.951 | 48.951 |
| | | | | ARJOWIGGINS SAS | 51.049 | 51.049 |
| ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH | GERMANY | 25,564.59 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJO WIGGINS ESPANA S.A. | SPAIN | 60,200.00 | EUR | 99.96 ARJO WIGGINS BELGIUM S.A. | 99.970 | 99.970 |
| | | | | WIGGINS TEAPE LIMITED | 0.030 | 0.030 |
| ARJO WIGGINS FEINPAPIER GMBH | GERMANY | 2,556,459.41 | EUR | 99.99 ARJO WIGGINS BELGIUM SA | 100.000 | 100.000 |
| ARJO WIGGINS FINE PAPERS EXPORT LIMITED | UNITED KINGDOM | 25,000.00 | GBP | 100.00 THE WIGGINS TEAPE GROUP LIMITED | 100.000 | 100.000 |
| ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED | UNITED KINGDOM | 10,253,565.00 | GBP | 100.00 ARJO WIGGINS UK HOLDINGS LIMITED | 100.000 | 100.000 |
| ARJO WIGGINS FINE PAPERS LIMITED | UNITED KINGDOM | 25,010,000.00 | GBP | 100.00 THE WIGGINS TEAPE GROUP LIMITED | 100.000 | 100.000 |
| ARJO WIGGINS FINE PAPERS PTY LTD | AUSTRALIA | 2.00 | AUD | 100.00 ARJO WIGGINS FINE PAPERS HOLDINGS LTD | 100.000 | 100.000 |
| ARJO WIGGINS GERMANY HOLDINGS LIMITED | UNITED KINGDOM | 25,000,000.00 | GBP | 100.00 THE WIGGINS TEAPE GROUP LIMITED | 100.000 | 100.000 |
| ARJO WIGGINS ITALIA HOLDINGS S.R.L. | ITALY | 2,275,000.00 | EUR | 100.00 ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED | 100.000 | 100.000 |
| | | | | ARJO WIGGINS LIMITED | 0.000 | 0.000 |
| ARJO WIGGINS LIMITED | UNITED KINGDOM | 92,280,100.00 | GBP | 100.00 IDEM LIMITED | 100.000 | 100.000 |
| ARJO WIGGINS LIMITADA | BRAZIL | 25,205,145.00 | BRL | 100.00 ARJO WIGGINS PARTICIPACOES LTDA | 98.698 | 98.698 |
| | | | | CANSON INTERNATIONAL SAS | 1.302 | 1.302 |
| ARJO WIGGINS LYNX LTD | UNITED KINGDOM | 3,000,000.00 | GBP | 100.00 ARJOWIGGINS CANSON SAS | 32.800 | 32.800 |
| | | | | ARJO WIGGINS FINE PAPERS LIMITED | 29.800 | 29.800 |
| | | | | ARJOWIGGINS PAPIERS COUCHES SAS | 28.200 | 28.200 |
| | | | | GUARRO CASAS S.A. | 9.200 | 9.200 |
| | | | | ARJOWIGGINS SAS | 0.000 | 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 PARTICIPACOES LTDA | BRAZIL | 49,705,800.00 | BRL | 100.00 ARJOWIGGINS SECURITY SAS | 100.000 | 100.000 |
| ARJO WIGGINS S.P. ITALIA S.r.l. | ITALY | 46,482.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJO WIGGINS SARL | SWITZERLAND | 200,000.00 | CHF | 100.00 ARJOWIGGINS PAPIERS COUCHES SAS | 99.500 | 99.500 |
| | | | | ARJOWIGGINS SAS | 0.500 | 0.500 |
| ARJO WIGGINS SPECIALTY HOLDINGS INC. | USA | 5,000.00 | USD | 100.00 APPLETON COATED PAPERS HOLDINGS INC. | 100.000 | 100.000 |
| ARJO WIGGINS SVENSKA AB | SWEDEN | 100,000.00 | SEK | 99.99 ARJO WIGGINS BELGIUM S.A. | 100.000 | 100.000 |
| ARJO WIGGINS UK HOLDINGS LIMITED | UNITED KINGDOM | 206,000,000.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJO WIGGINS USA, INC | USA | 1.00 | USD | 100.00 ARJO WIGGINS SPECIALTY HOLDINGS INC. | 100.000 | 100.000 |
| ARJOBEX AMERICA | USA | 21,000,000.00 | USD | 100.00 MU,RO, INC. | 51.000 | 51.000 |
| | | | | ARJO WIGGINS NC, LLC. | 49.000 | 49.000 |
| ARJOBEX LIMITED | UNITED KINGDOM | 2,000,100.00 | GBP | 100.00 THE WIGGINS TEAPE GROUP LIMITED | 100.000 | 100.000 |
| ARJOBEX SAS | FRANCE | 1,029,280.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| AS ANTALIS | ESTHONIA | 5,700,000.00 | EEK | 100.00 ANTALIS INTERNATIONAL HOLDINGS BV | 100.000 | 100.000 |
| AWA QINGDAO PAPER LIMITED | PEOPLE'S REP. OF CHINA | 6,350,000.00 | USD | 63.15 ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED | 63.150 | 63.150 |
| BRANGS AND HEINRICH AG | SWITZERLAND | 300,000.00 | CHF | 100.00 PAPIER-PART GMBH | 98.000 | 98.000 |
| BRANGS AND HEINRICH GMBH | GERMANY | 1,600,000.00 | EUR | 100.00 ANTALIS GMBH | 100.000 | 100.000 |
| BRANGS AND HEINRICH GES.M.B.H. | AUSTRIA | 510,000.00 | EUR | 92.50 PAPIER-PART GMBH | 92.500 | 92.500 |
| BRANOPACK S.R.L. | ITALY | 100,000.00 | EUR | 100.00 PAPIER-PART GMBH | 100.000 | 100.000 |
| BRANOPACK SARL | FRANCE | 100,000.00 | EUR | 100.00 PAPIER-PART GMBH | 100.000 | 100.000 |
| BRANOPACK LIMITED | UNITED KINGDOM | 175,000.00 | GBP | 100.00 PAPIER-PART GMBH | 100.000 | 100.000 |
| B.T.I.I. | FRANCE | 30.00 | EUR | 90.00 ARJOWIGGINS CANSON SAS | 90.000 | 90.000 |
| BERNARD DUMAS SAS | FRANCE | 686,070.00 | EUR | 99.93 GUARRO CASAS S.A. | 100.000 | 100.000 |
| CANSON & MONTGOLFIER (DEUTSCHLAND) GMBH | GERMANY | 512,000.00 | EUR | 100.00 CANSON INTERNATIONAL SAS | 100.000 | 100.000 |
| CANSON INTERNATIONAL SAS | FRANCE | 76,250.00 | EUR | 100.00 ARJOWIGGINS CANSON SAS | 100.000 | 100.000 |
| CANSON ITALIA S.P.A. | ITALY | 312,000.00 | EUR | 100.00 CANSON INTERNATIONAL SAS | 95.000 | 95.000 |
| | | | | ARJOWIGGINS CANSON SAS | 5.000 | 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 |

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A.
(52.96%-owned subsidiary of IFIL Group)

| Name | Country | Capital Stock at 12/31/2004 | Currency | % of Group consolidation Interest held by | % interest held | % of voting rights |
|--|---------------------------|--------------------------------|----------|--|----------------------------|----------------------------|
| CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL (EXPO EUROPA) | ITALY | 1,000,000.00 | EUR | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| CLASS PAPIER B.V. | NETHERLANDS | 40,000.00 | NLG | 100.00 ARJOWIGGINS PAPIERS COUCHES SAS | 100.000 | 100.000 |
| COMERCIAL MANANTIALES LIMITADA | CHILE | 5,608,000,000.00 | CLP | 100.00 INVERSIONES GMS SA GMS PRODUCTOS GRAFICOS LIMITADA | 99.999 0.001 | 99.999 0.001 |
| COPIGRAPH GMBH (in liquidation) | GERMANY | 511,803.00 | EUR | 100.00 COPIGRAPH S.A. | 97.692 | 97.692 |
| COPIGRAPH S.A. | FRANCE | 6,300,000.00 | EUR | 100.00 GUERIMAND SAS | 99.999 | 99.999 |
| 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 ARJOWIGGINS PAPIERS COUCHES SAS | 100.000 | 100.000 |
| DISTRIBUIDORA OFIMARKET SA | CHILE | 1,216,260,179.00 | CLP | 100.00 INVERSIONES GMS SA COMERCIAL MANANTIALES LIMITADA | 99.993 0.007 | 99.993 0.007 |
| ESPECIALIDADES DEL PAPEL DE COLOMBIA LTDA (ESPACOL LTDA) | COLOMBIA | 608,003,000.00 | COP | 99.93 TORDERA S.A. | 100.000 | 100.000 |
| EUROPEAN PRINTED PRODUCTS S.A.S. (E2P) | FRANCE | 6,100,000.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| FAIRPRINT BV | NETHERLANDS | 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 SAS | 100.000 | 100.000 |
| FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED | BOTSWANA | 80,000.00 | BWP | 100.00 ANTALIS SA HOLDINGS LIMITED | 99.999 | 99.999 |
| FRESER S.L. | SPAIN | 3,006.00 | EUR | 99.93 GUARRO CASAS S.A. | 100.000 | 100.000 |
| FYNE PAPERS LIMITED | UNITED KINGDOM | 5,000,000.00 | GBP | 100.00 ANTALIS LIMITED | 100.000 | 100.000 |
| GEP S.P.A. | ITALY | 1,571,152.00 | EUR | 90.71 W PARTICIPATIONS SAS ARJOWIGGINS SECURITY SAS | 30.640 60.070 | 30.640 60.070 |
| GMS DISTRIBUIDORA GRAFICA SA | CHILE | 455,343,028.00 | CLP | 100.00 INVERSIONES GMS SA COMERCIAL MANANTIALES LIMITADA | 99.000 1.000 | 99.000 1.000 |
| GMS PRODUCTOS GRAFICOS LIMITADA | CHILE | 4,230,894,946.00 | CLP | 100.00 COMERCIAL MANANTIALES LIMITADA INVERSIONES GMS SA | 86.000 14.000 | 86.000 14.000 |
| GUARRO CASAS FRANCE SARL | FRANCE | 8,000.00 | EUR | 99.93 GUARRO CASAS S.A. | 100.000 | 100.000 |
| GUARRO CASAS S.A. | FRANCE | 8,000.00 | EUR | 99.93 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 ARJOWIGGINS SAS | 100.000 | 100.000 |
| HARDWARE SOFTWARE ENGINEERING SRL | ITALY | 20,000,000.00 | EUR | 100.00 ANTALIS INTERNATIONAL HOLDINGS BV | 100.000 | 100.000 |
| I-PAPERS LIMITED | UNITED KINGDOM | 5,000.00 | GBP | 100.00 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 | 99.93 TORDERA S.A. | 100.000 | 100.000 |
| INVERSIONES ANTALIS HOLDINGS LIMITADA | CHILE | 13,986,735,100.00 | CLP | 100.00 ANTALIS OVERSEAS HOLDINGS LIMITED ANTALIS INTERNATIONAL SAS ANTALIS INTERNATIONAL HOLDINGS BV | 17.230 45.380 37.390 | 17.230 45.380 37.390 |
| INVERSIONES ANTALIS LIMITADA | CHILE | 30,515,570,540.00 | CLP | 100.00 INVERSIONES ANTALIS HOLDINGS LIMITADA ANTALIS INTERNATIONAL HOLDINGS BV | 99.990 0.010 | 99.990 0.010 |
| INVERSIONES EXTERIOR SA | CHILE | 3,094,646,599.00 | CLP | 100.00 INVERSIONES ANTALIS LIMITADA INVERSIONES ANTALIS HOLDINGS LIMITADA | 99.990 0.010 | 99.990 0.010 |
| INVERSIONES GMS SA | CHILE | 10,202,346,068.00 | CLP | 100.00 INVERSIONES ANTALIS LIMITADA INVERSIONES ANTALIS HOLDINGS LIMITADA | 99.990 0.010 | 99.990 0.010 |
| INVERSIONES LOS PELLINES DOS SA | CHILE | 1,088,894,160.00 | CLP | 100.00 INVERSIONES ANTALIS LIMITADA INVERSIONES ANTALIS HOLDINGS LIMITADA | 99.990 0.010 | 99.990 0.010 |
| ISOPAC PACKMITTEL GMBH | GERMANY | 52,000.00 | EUR | 100.00 ANTALIS GMBH | 100.000 | 100.000 |
| ISSY 5 EUURL | FRANCE | 8,000.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| JAMICE SAS | FRANCE | 38,125.00 | EUR | 100.00 ARJOWIGGINS CANSON SAS | 100.000 | 100.000 |
| LODI 12 SAS | FRANCE | 38,112.00 | EUR | 100.00 CANSON INTERNATIONAL SAS | 100.000 | 100.000 |
| LODI 11 SAS | FRANCE | 40,000.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| MU.RO. INC. | USA | 5,000.00 | USD | 100.00 ARJO WIGGINS SPECIALTY HOLDINGS INC. | 100.000 | 100.000 |
| MUHLEBACH B.V. | NETHERLANDS | 45,378.02 | EUR | 100.00 ANTALIS INTERNATIONAL HOLDINGS BV | 100.000 | 100.000 |
| NEWTON FALLS LLC | USA | 1.00 | USD | 100.00 APPLETON COATED LLC | 100.000 | 100.000 |
| PAPER PEOPLE LIMITED | UNITED KINGDOM | 5,000,000.00 | GBP | 100.00 ANTALIS LIMITED | 100.000 | 100.000 |
| PAPIER-PART GMBH | SWITZERLAND | 400,000.00 | CHF | 100.00 ANTALIS INTERNATIONAL SAS | 100.000 | 100.000 |
| PERFORMANCE PAPERS LIMITED | UNITED KINGDOM | 550,000.00 | GBP | 100.00 THE WIGGINS TEAPE GROUP LIMITED | 100.000 | 100.000 |
| PRIPLAK SAS | FRANCE | 323,554.00 | EUR | 100.00 ARJOWIGGINS SAS | 100.000 | 100.000 |
| PROTALIS LIMITED | UNITED KINGDOM | 4,100.00 | GBP | 100.00 ANTALIS GROUP HOLDINGS LIMITED | 100.000 | 100.000 |
| QINGDAO ARJO WIGGINS PAPER CO., LTD. | PEOPLE'S REP. OF CHINA | 1,176,000.00 | USD | 100.00 LODI 12 SAS ARJO WIGGINS CHINA HOLDINGS LIMITED | 40.000 60.000 | 40.000 60.000 |
| QUAIFE PAPER LIMITED | UNITED KINGDOM | 2,028,000.00 | GBP | 100.00 ANTALIS LIMITED | 100.000 | 100.000 |
| SARNIA (PTY) LIMITED | BOTSWANA | 1,345,625.00 | BWP | 100.00 FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED | 92.569 | 100.000 |
| SIMGE ANTALIS KAGIT SANAYI VE TICARET AS | TURKEY | 15,350,375,000.00 | TLR | 80.00 ANTALIS INTERNATIONAL HOLDINGS BV | 80.000 | 80.000 |
| SITTER S.N.C. | FRANCE | 160,000.00 | EUR | 100.00 ANTALIS INTERNATIONAL SAS ANTALIS SNC | 99.700 0.300 | 99.700 0.300 |
| SOCIEDAD COMERCIALIZADORA DE PAPELES ESPACHILE LTDA | CHILE | 16,995,300.00 | CLP | 99.92 TORDERA S.A. | 100.000 | 100.000 |
| SOCIETE CIVILE IMMOBILIERE DU MARAIS | FRANCE | 152.45 | EUR | 100.00 ARJOWIGGINS SAS ARJOWIGGINS LE BOURRAY SAS | 95.000 5.000 | 95.000 5.000 |
| THE WIGGINS TEAPE GROUP LIMITED | UNITED KINGDOM | 282,500,000.00 | GBP | 100.00 ARJO WIGGINS UK HOLDINGS LIMITED | 100.000 | 100.000 |
| TORDERA S.A. | PANAMA | 97,000.00 | USD | 99.93 GUARRO CASAS S.A. | 100.000 | 100.000 |

(*) VOTING SUSPENDED

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A.
(52.96%-owned subsidiary of IFIL Group)

| Name | Country | Capital Stock at 12/31/2004 | Currency | % of Group consolidation Interest held by | % interest held | % of voting rights |
|--|----------------|--------------------------------|----------|---|-------------------------------------|-------------------------------------|
| VEILIGHEIDSPAPIERFABRIEK UGCELEN | NETHERLANDS | 6,806,703.24 | EUR | 100.00 ARJOWIGGINS SECURITY SAS | 100.000 | 100.000 |
| WIGGINS TEAPE LIMITED | UNITED KINGDOM | 21,300,000.00 | GBP | 100.00 ANTALIS LIMITED | 100.000 | 100.000 |
| WILLOW PAPER COMPANY LIMITED | UNITED KINGDOM | 16,000.00 | GBP | 100.00 ANTALIS LIMITED | 100.000 | 100.000 |
| WITCEL S.A. | ARGENTINA | 1,901,200.00 | USD | 100.00 ARJOWIGGINS SECURITY SAS | 100.000 | 100.000 |
| Financing services | | | | | | |
| FINANCIERE WORMS & CIE S.A. | SWITZERLAND | 10,000,000.00 | CHF | 100.00 PERMAL GROUP SCA | 100.000 | 100.000 |
| HAUSSMANN HOLDINGS SA | LUXEMBOURG | 100,000.00 | USD | 40.00 W & P FUND SERVICES LTD IFABANQUE SA | 40.000 7.000 | 40.000 7.000 |
| H.H. REPURCHASE & TRADING COMPANY NV | DUTCH ANTILLES | 30,000.00 | USD | 40.00 W & P FUND SERVICES LTD | 40.000 | 40.000 |
| PERMAL ASSET MANAGEMENT INC | USA | 10.00 | USD | 100.00 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 FRANCE SAS | FRANCE | 40,000.00 | EUR | 100.00 PERMAL GROUP SCA | 100.000 | 100.000 |
| PERMAL GROUP LIMITED | UNITED KINGDOM | 1.00 | GBP | 100.00 PERMAL GROUP SCA | 100.000 | 100.000 |
| 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 |
| PERMAL ISLAND OF MAN | ISLE OF MAN | 1.00 | GBP | 100.00 PERMAL INVESTMENT MANAGEMENT SERVICES LIMITED | 100.000 | 100.000 |
| THE ST JAMES BANK & TRUST COMPANY LIMITED | BAHAMAS | 20,000,000.00 | USD | 100.00 FINANCIERE WORMS & CIE SA | 100.000 | 100.000 |
| VELOCITY SPV LLC | USA | 400,000.00 | USD | 100.00 WORMS & CO INC | 100.000 | 100.000 |
| W & P FUND SERVICES LIMITED | BAHAMAS | 500,000.00 | USD | 100.00 THE ST JAMES BANK & TRUST COMPANY LIMITED | 100.000 | 100.000 |
| WORMS & CO INC | USA | 535,081.00 | USD | 100.00 PERMAL GROUP SCA | 100.000 | 100.000 |
| WORMS & CO LIMITED | UNITED KINGDOM | 6,750,000.00 | GBP | 100.00 PERMAL GROUP SCA | 100.000 | 100.000 |
| Miscellaneous and Holding companies | | | | | | |
| ANTONIN RODET SAS | FRANCE | 11,100,000.00 | EUR | 100.00 W PARTICIPATIONS SAS | 100.000 | 100.000 |
| ARJO WIGGINS APPLETON (BERMUDA) LIMITED | BERMUDAS | 61,020.00 | USD | 100.00 ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED | 89.910 | 89.910 |
| ARJO WIGGINS APPLETON GROUP SERVICES SAS | FRANCE | 500,000.00 | EUR | 100.00 WORMS & CIE S.A. A DIRECTOIRE ET CS | 100.000 | 100.000 |
| ARJO WIGGINS APPLETON HOLDINGS | UNITED KINGDOM | 1,000.00 | GBP | 100.00 ARJO WIGGINS APPLETON LIMITED AWA FINANCE | 99.999 0.001 | 99.999 0.001 |
| ARJO WIGGINS APPLETON LIMITED | UNITED KINGDOM | 213,937,989.25 | GBP | 100.00 WORMS & CIE S.A. A DIRECTOIRE ET CS | 100.000 | 100.000 |
| ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED | BERMUDAS | 15,000.00 | USD | 100.00 ARJO WIGGINS APPLETON LIMITED | 20.000 | 100.000 |
| ARJO WIGGINS EUROPE HOLDINGS | UNITED KINGDOM | 1,000.00 | GBP | 100.00 ARJO WIGGINS APPLETON LIMITED ARJO WIGGINS APPLETON HOLDINGS | 99.999 0.001 | 99.999 0.001 |
| ARJO WIGGINS NORTH AMERICA INVESTMENTS | UNITED KINGDOM | 1,000.00 | GBP | 100.00 ARJO WIGGINS APPLETON LIMITED AWA FINANCE | 99.999 0.001 | 99.999 0.001 |
| ARJO WIGGINS US HOLDINGS | UNITED KINGDOM | 36,187,415.00 | GBP | 100.00 ARJO WIGGINS APPLETON LIMITED AWA FINANCE | 100.000 0.000 | 100.000 0.000 |
| AP CROISSANCE SAS | FRANCE | 40,000.00 | EUR | 100.00 WORMS & CIE S.A. A DIRECTOIRE ET CS | 100.000 | 100.000 |
| AP GESTION ET FINANCEMENT SAS | FRANCE | 40,000.00 | EUR | 100.00 WORMS & CIE S.A. A DIRECTOIRE ET CS | 100.000 | 100.000 |
| AWA FINANCE | UNITED KINGDOM | 1,000.00 | GBP | 100.00 ARJO WIGGINS APPLETON LIMITED ARJO WIGGINS APPLETON HOLDINGS | 99.999 0.001 | 99.999 0.001 |
| SOCIETE FERMIERE ET DE PARTICIPATIONS S.A. (in liquidation) | FRANCE | 2,287,500.00 | EUR | 100.00 W PARTICIPATIONS SAS | 99.986 | 99.986 |
| SOCIETE MOBILIERE DE PLACEMENTS SAS | FRANCE | 915,000.00 | EUR | 100.00 W MANAGEMENT SAS | 100.000 | 100.000 |
| WORMS UK LIMITED | UNITED KINGDOM | 120,714.00 | GBP | 100.00 WORMS & CIE S.A. A DIRECTOIRE ET CS | 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 WORMS & CIE S.A. A DIRECTOIRE ET CS SOCIETE MOBILIERE DE PLACEMENTS SAS | 92.786 7.214 | 92.786 7.214 |
| W SYSTEMES ET INFORMATION | FRANCE | N.D. | EUR | 100.00 ANTALIS INTERNATIONAL SAS ARJOWIGGINS SAS PERMAL France SAS WORMS & CIE S.A. A DIRECTOIRE ET CS | 40.000 37.000 8.000 15.000 | 40.000 38.000 8.000 15.000 |

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A.
(52.96%-owned subsidiary of IFIL Group)

| Name | Country | Capital Stock at 12/31/2004 | Currency | % of Group consolidation Interest held by | % interest held | % of voting rights |
|---|---------------------------|--------------------------------|----------|--|--------------------|-----------------------|
| Companies valued by the equity method | | | | | | |
| Paper | | | | | | |
| DIMAGRAF SA | ARGENTINA | 125,000.00 | ARS | 30.00 INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA | 22.200 7.800 | 22.200 7.800 |
| ESPECIALIDADES PAPELERAS ESPAVE C.A. | VENEZUELA | 6,000,000.00 | VEB | 33.48 TORDERA S.A. | 33.500 | 33.500 |
| MWT PAPER PROCESSING LIMITED | MAURITIUS | 20,000,000.00 | MUR | 50.00 ANTALIS SA HOLDINGS LIMITED | 50.000 | 50.000 |
| QUIMIGRAF SA | ARGENTINA | 100,000.00 | ARS | 30.00 INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA | 22.200 7.800 | 22.200 7.800 |
| SHIRO PACIFIC PAPER (SINGAPORE) PTE LTD | SINGAPORE | 10,000,000.00 | SGD | 40.00 ANTALIS OVERSEAS HOLDINGS LIMITED | 40.000 | 40.000 |
| SHIRO PAPER (MALAYSIA) SDN. BHD. | MALAYSIA | 4,700,000.00 | MYR | 40.00 ANTALIS OVERSEAS HOLDINGS LIMITED | 40.000 | 40.000 |
| Financial services | | | | | | |
| IFABANQUE S.A. | FRANCE | 15,785,200.00 | EUR | 25.00 PERMAL GROUP SCA | 25.002 | 25.002 |
| TWO COAST, LLC | USA | 800,000.00 | USD | 50.00 VELOCITY SPV LLC | 50.000 | 50.000 |
| Miscellaneous and Holding companies | | | | | | |
| PECHEL INDUSTRIES SAS | FRANCE | 36,915,000.00 | EUR | 39.03 W PARTICIPATIONS SAS | 39.032 | 39.032 |
| SGS S.A. / SGS LTD | SWITZERLAND | 156,443,320.00 | CHF | 24.33 WORMS & CIE S.A. A DIRECTOIRE ET CS | 23.773 | 24.326 |
| Companies valued at cost | | | | | | |
| Paper | | | | | | |
| ANTALIS (MALAYSIA) SDN BHD | MALAYSIA | 2,500,000.00 | MYR | - ANTALIS OVERSEAS HOLDINGS LIMITED | 100.000 | 100.000 |
| ARJOWIGGINS IVYBRIDGE LIMITED | UNITED KINGDOM | 1 | GBP | - THE WIGGINS TEAPE GROUP LIMITED | 100.000 | 100.000 |
| ARJO WIGGINS ARGENTINA S.A. | ARGENTINA | 12,000.00 | ARS | - ARJO WIGGINS FINE PAPERS HOLDINGS LTD | 99.992 | 99.992 |
| ARJO WIGGINS CHINA LIMITED | PEOPLE'S REP. OF CHINA | 1,000.00 | HKD | - ANTALIS (HONG KONG) LIMITED | 90.000 | 90.000 |
| ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH | GERMANY | 25,564.59 | EUR | - ARJOWIGGINS SAS | 100.000 | 100.000 |
| ARJO WIGGINS PAPER PRODUCTS (BEIJING) CO. LTD. | PEOPLE'S REP. OF CHINA | 300,000.00 | USD | - ARJO WIGGINS CHINA LIMITED | 100.000 | 100.000 |
| ARJO WIGGINS PAPER PRODUCTS (SHANGHAI) CO.LTD. | PEOPLE'S REP. OF CHINA | 470,000.00 | USD | - ARJO WIGGINS CHINA LIMITED | 100.000 | 100.000 |
| PAPELCO SAI CIF | ARGENTINA | N.D. | USD | - WITCEL S.A. | 99.776 | 99.776 |
| Miscellaneous and Holding companies | | | | | | |
| AP FRANKLIN 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 | 3,200.00 | EUR | - 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 |
| SAS | FRANCE | 4,575,000.00 | EUR | - ANTONIN RODET SAS | 35.625 | 35.625 |
| FRANKLIN INTERNATIONAL SAS | FRANCE | 40,000.00 | EUR | - W PARTICIPATIONS SAS | 100.000 | 100.000 |
| S.C.I. ELISEE RECLUS PARIS 17E | FRANCE | 1,524.00 | EUR | - 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 DE L'AIGLE (SCEA) | FRANCE | 642,430.00 | EUR | - ANTONIN RODET SAS CHATEAU DE MERCEY DOMAINE RODET SAS | 99.998 0.002 | 99.998 0.002 |
| WIGGINS TEAPE PENSIONS LIMITED | UNITED KINGDOM | 3.00 | GBP | - ARJO WIGGINS APPLETON LIMITED | 100.000 | 100.000 |
| Other companies pursuant to Consob resolution No. 11971 (art. 126. of the Regulations) | | | | | | |
| Paper | | | | | | |
| EXPRESSO PAPER PLATFORM BV | NETHERLANDS | 3,346,410.20 | EUR | - ANTALIS INTERNATIONAL HOLDINGS BV | 12.895 | 12.895 |
| Miscellaneous and Holding companies | | | | | | |
| JUSTRADEIT S.A. (in liquidation) | FRANCE | 192,593.00 | EUR | - W PARTICIPATIONS SAS | 13.890 | 13.890 |

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through Alpitour S.p.A. (100%-owned subsidiary of IFIL Group)

| Name | Country | Capital stock at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % 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 | EUR | 100.000 | ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPERSONAL, LDA | 100.000 | 100.000 |
| ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPERSONAL, LDA | PORTUGAL | 2,494,000.00 | EUR | 100.000 | ALPITOUR S.p.A. | 100.000 | 100.000 |
| ALTAMAREA INTERNATIONAL S.p.A. | ITALY | 120,000.00 | EUR | 100.000 | ALPITOUR S.p.A. | 100.000 | 100.000 |
| ALTAMAREA V & H COMPAGNIA ALBERGHIERA S.p.A. | ITALY | 140,385.00 | EUR | 60.003 | ALPITOUR S.p.A. | 60.003 | 60.003 |
| BLUE MARIN TUNISIE S.A. | TUNISIA | 3,000,000.00 | TND | 99.998 | ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPERSONAL, LDA | 99.998 | 99.998 |
| BLUEMARIN HOTEL S.A. DE C.V. | MEXICO | 65,956,258.00 | MXP | 99.998 | HORIZON HOLIDAYS S.A. UNIPERSONAL | 99.998 | 99.998 |
| BLUEMARIN SERVICES S.A. DE C.V. | MEXICO | 50,000.00 | MXP | 99.998 | HORIZON HOLIDAYS S.A. UNIPERSONAL | 99.998 | 99.998 |
| BLUMARIN DE IMPORTAÇÃO, SOCIEDAD UNIPERSONAL, S.A. | CAPE VERDE | 5,000,000 | CVE | 100.000 | BLUMARIN HOTELS, SOCIEDADE UNIPERSONAL, S.A. | 100.000 | 100.000 |
| BLUMARIN HOTELS, SOCIEDADE UNIPERSONAL, S.A. | CAPE VERDE | 2,500,000 | CVE | 100.000 | ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPERSONAL, LDA | 100.000 | 100.000 |
| BLUMARIN HOTELS SARDEGNA S.r.l. | ITALY | 52,000.00 | EUR | 100.000 | HORIZON HOLIDAYS S.A. UNIPERSONAL | 100.000 | 100.000 |
| BLUMARIN HOTELS SICILIA S.p.A. | ITALY | 38,000,000.00 | EUR | 90.000 | ALPITOUR S.p.A. | 90.000 | 90.000 |
| D.I. RESORTS PRIVATE LTD | MALDIVES | 100,000 | MVR | 100.000 | ALPITOUR S.p.A. | 99.000 | 99.000 |
| | | | | | HORIZON HOLIDAYS S.A. UNIPERSONAL | 1.000 | 1.000 |
| EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION | EGYPT | 4,000,000 | EGP | 59.625 | ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.) | 99.375 | 99.375 |
| ELSHAH FOR FLOATING HOTELS | EGYPT | 6,000,000 | EGP | 59.802 | ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.) | 99.670 | 99.670 |
| HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPERSONAL LDA | PORTUGAL | 5,000 | EUR | 100.000 | ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPERSONAL, LDA | 100.000 | 100.000 |
| HORIZON HOLIDAYS S.A. UNIPERSONAL | SPAIN | 20,133,500.00 | EUR | 100.000 | ALPITOUR ESPANA S.L. UNIPERSONAL | 100.000 | 100.000 |
| INVERSIONES LOS UVEROS S.A. DE C.V. | DOMINICAN REP. | 200,000 | DOP | 99.700 | HORIZON HOLIDAYS S.A. UNIPERSONAL | 99.700 | 99.700 |
| ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.) | EGYPT | 4,536,000 | EGP | 60.000 | BLUMARIN HOTELS SARDEGNA S.r.l. | 60.000 | 60.000 |
| KELIBIA BEACH S.A. | TUNISIA | 6,000,000 | TND | 99.990 | HORIZON HOLIDAYS S.A. UNIPERSONAL | 99.990 | 99.990 |
| KIWENGWA LIMITED | TANZANIA | 745,559,000 | TZS | 100.000 | HORIZON HOLIDAYS S.A. UNIPERSONAL | 98.964 | 98.964 |
| | | | | | ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPERSONAL, LDA | 1.036 | 1.036 |
| KIWENGWA STRAND HOTEL LTD. | TANZANIA | 1,480,000,000 | TZS | 100.000 | HORIZON HOLIDAYS S.A. UNIPERSONAL | 99.000 | 99.000 |
| | | | | | ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPERSONAL, LDA | 1.000 | 1.000 |
| MEDITERRANEAN TOURIST COMPANY S.A. | GREECE | 3,603,900.00 | EUR | 100.000 | HORIZON HOLIDAYS S.A. UNIPERSONAL | 100.000 | 100.000 |
| ORIENT SHIPPING FOR FLOATING HOTELS | EGYPT | 1,450,000 | EGP | 58.966 | ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.) | 98.276 | 98.276 |
| RENTHOTEL MEXICO S.A. DE C.V. | MEXICO | 50,000 | MXP | 98.000 | HORIZON HOLIDAYS S.A. UNIPERSONAL | 98.000 | 98.000 |
| RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL | SPAIN | 1,562,860 | EUR | 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 UNIPERSONAL LDA | 96.000 | 96.000 |
| S.T. RESORTS PRIVATE LTD. | MALDIVES | 100,000 | MVR | 50.000 | ALPITOUR S.p.A. | 50.000 | 50.000 |
| STAR RESORT & HOTELS COMPANY PVT LTD. | MALDIVES | 1,000,000 | MVR | 100.000 | ALPITOUR S.p.A. | 99.000 | 99.000 |
| | | | | | HORIZON HOLIDAYS S.A. UNIPERSONAL | 1.000 | 1.000 |
| Insurance company | | | | | | | |
| ALPITOUR REINSURANCE COMPANY LIMITED | IRELAND | 750,000 | EUR | 100.000 | ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPERSONAL, LDA | 100.000 | 100.000 |
| Distribution (Travel agency) | | | | | | | |
| WELCOME TRAVEL GROUP S.P.A. | ITALY | 6,380,000 | EUR | 100.000 | ALPITOUR S.P.A. | 100.000 | 100.000 |
| BLUE VIAGGI S.A. | SWITZERLAND | 100,000 | CHF | 97.000 | ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPERSONAL, LDA | 97.000 | 97.000 |

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through Alpitour S.p.A. (100%-owned subsidiary of IFIL Group)

| Name | Country | Capital stock at 12/31/2004 | Currency | % of Group consolidation | Interest held by | % of interest held | % of voting rights |
|--|----------------|--------------------------------|----------|--------------------------------|---|--------------------------|--------------------------|
| Incoming services | | | | | | | |
| CONSORCIO TURISTICO PANMEX S.A. DE C.V. | MEXICO | 50,000 | MXP | 70.000 | ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA | 70.000 | 70.000 |
| JUMBO CANARIAS S.A. UNIPERSONAL | SPAIN | 180,300.00 | EUR | 100.000 | JUMBOTURISMO S.A. UNIPERSONAL | 100.000 | 100.000 |
| JUMBO TOURS DOMINICANA S.A. | DOMINICAN REP. | 100,000 | DOP | 99.500 | JUMBOTURISMO S.A. UNIPERSONAL | 99.300 | 99.300 |
| | | | | | JUMBO CANARIAS S.A. UNIPERSONAL | 0.100 | 0.100 |
| | | | | | JUMBO TOURS ESPANA S.L. UNIPERSONAL | 0.100 | 0.100 |
| JUMBO TOURS ESPANA S.L. UNIPERSONAL | SPAIN | 904,505.00 | EUR | 100.000 | JUMBOTURISMO S.A. UNIPERSONAL | 100.000 | 100.000 |
| JUMBO TOURS FRANCE S.A. | FRANCE | 152,400.00 | EUR | 64.980 | JUMBOTURISMO S.A. UNIPERSONAL | 64.980 | 64.980 |
| JUMBO TOURS ITALIA S.r.l. | ITALY | 78,000.00 | EUR | 100.000 | ALPITOUR S.p.A. | 50.000 | 50.000 |
| | | | | | JUMBOTURISMO S.A. UNIPERSONAL | 50.000 | 50.000 |
| JUMBO TOURS MEXICO S.A. DE C.V. | MEXICO | 50,000 | MXP | 98.000 | JUMBOTURISMO S.A. UNIPERSONAL | 98.000 | 98.000 |
| JUMBO TOURS SICILIA S.r.l. | ITALY | 99,999.00 | EUR | 70.000 | JUMBO TOURS ITALIA S.r.l. | 70.000 | 70.000 |
| JUMBO TOURS TUNISIE S.A. | TUNISIA | 300,000 | TUD | 49.983 | JUMBOTURISMO S.A. UNIPERSONAL | 49.983 | 49.983 |
| JUMBOTURISMO S.A. UNIPERSONAL | SPAIN | 364,927.20 | EUR | 100.000 | ALPITOUR ESPANA S.L. UNIPERSONAL | 100.000 | 100.000 |
| JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPessoal, S.A. | CAPE VERDE | 5,000,000 | CVE | 100.000 | JUMBOTURISMO S.A. UNIPERSONAL | 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 | 98.000 | JUMBOTURISMO S.A. UNIPERSONAL | 98.000 | 98.000 |
| Tour Operating | | | | | | | |
| COMPAGNIA DELLA NATURA S.p.A. | ITALY | 155,000.00 | EUR | 100.000 | ALPITOUR S.p.A. | 100.000 | 100.000 |
| FRANCOROSSO INCENTIVE S.r.l. | ITALY | 10,400.00 | EUR | 100.000 | ALPITOUR S.p.A. | 100.000 | 100.000 |
| JUMBO GRANDI EVENTI S.r.l. | ITALY | 78,000.00 | EUR | 70.000 | JUMBO TOURS ITALIA S.r.l. | 70.000 | 70.000 |
| Airline | | | | | | | |
| NEOS S.p.A. | ITALY | 4,425,800.00 | EUR | 100.000 | ALPITOUR S.p.A. | 100.000 | 100.000 |
| | | | | | WELCOME TRAVEL GROUP S.p.A. | 0.000 | 0.000 |

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through Alpitour S.p.A. (100%-owned subsidiary of IFIL Group)

| Name | Country | Capital stock at 12/31/2004 | 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 | 732,032.74 | EUR | 28.629 JUMBOTURISMO S.A. UNIPERSONAL | 28.629 | 28.629 |
| ITALO HISPANA DE INVERSIONES S.L. | SPAIN | 3,005.06 | EUR | 30.000 ALPITOUR S.p.A. | 30.000 | 30.000 |
| JUMBO TOURS CARIBE S.A. | MEXICO | 50,000 | MXP | 50.000 JUMBOTURISMO S.A. UNIPERSONAL | 50.000 | 50.000 |
| PANAFRICAN SERVICE S.A.R.L. | TUNISIA | 10,500 | TND | 50.000 ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA | 50.000 | 50.000 |
| PEMBA S.A. | SPAIN | 510,809.20 | EUR | 25.000 JUMBOTURISMO S.A. UNIPERSONAL | 25.000 | 25.000 |
| VIAJES MEDYMAR S.L. | SPAIN | 60,101.21 | EUR | 30.000 ALPITOUR S.p.A. | 30.000 | 30.000 |
| Tour Operating | | | | | | |
| VIAGGI DELL'ELEFANTE S.p.A. | ITALY | 260,000.00 | EUR | 35.000 ALPITOUR S.p.A. | 35.000 | 35.000 |
| Companies valued at cost | | | | | | |
| Hotel management | | | | | | |
| FLASH NILE CRUISES | EGYPT | 480,000.00 | EGP | - ALPITOUR S.p.A. FRANCOROSSO INCENTIVE S.r.l. | 25.000 15.000 | 25.000 15.000 |
| FLASH TOUR P.L.C. | EGYPT | 7,000.000 | EGP | - ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA | 20.000 | 20.000 |
| Distribution (Travel agency) | | | | | | |
| MINERVA VIAGGI S.r.l. | ITALY | 156,000.00 | EUR | - ALPITOUR S.p.A. | 100.000 | 100.000 |
| AIRPORTS & TRAVEL S.r.l. | ITALY | 50,000.00 | EUR | - WELCOME TRAVEL GROUP S.p.A. | 49.000 | 49.000 |
| SAUGO VIAGGI S.r.l. | ITALY | 20,938.00 | EUR | - WELCOME TRAVEL GROUP S.p.A. | 95.000 | 95.000 |
| WIAGGI GALLERIA 57 S.r.l. | ITALY | 50,000.00 | EUR | - WELCOME TRAVEL GROUP S.p.A. | 100.000 | 100.000 |
| TEAM TRAVEL SERVICE S.r.l. | ITALY | 102,000.00 | EUR | - WELCOME TRAVEL GROUP S.p.A. | 50.000 | 50.000 |
| TREND S.r.l. | ITALY | 47,000.00 | EUR | - WELCOME TRAVEL GROUP S.p.A. | 100.000 | 100.000 |
| WELCOME TRAVEL SUD S.R.L. | ITALY | 100,000.00 | EUR | - WELCOME TRAVEL GROUP S.p.A. | 50.000 | 50.000 |
| WELCOME WE TRAVEL S.R.L. | ITALY | 100,000.00 | EUR | - WELCOME TRAVEL GROUP S.p.A. | 100.000 | 100.000 |
| Incoming services | | | | | | |
| CALOBANDE S.L. UNIPERSONAL | SPAIN | 453,755.00 | EUR | - JUMBOTURISMO S.A. UNIPERSONAL | 100.000 | 100.000 |
| INFRATOURS DOMINICANA S.A. | DOMINICAN REP. | 400,000.00 | DOP | - JUMBOTURISMO S.A. UNIPERSONAL | 49.500 | 49.500 |

