Istituto Finanziario Industriale

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

QUARTERLY REPORT
AT SEPTEMBER 30, 2003

Istituto Finanziario Industriale

QUARTERLY REPORT AT SEPTEMBER 30, 2003

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This is an English translation of the Italian original “Relazione trimestrale al 30 settembre 2003” approved by IFI Board of Directors on November 13, 2003 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 “Relazione trimestrale al 30 settembre 2003”, also available on the corporate website: http://www.gruppoifi.com

Board of Directors

Chairman	Umberto Agnelli
Deputy Chairman	Gianluigi Gabetti
	Annibale Avogadro di Collobiano
	John Philip Elkann
	Gabriele Galateri di Genola
Secretary to the Board	Franzo Grande Stevens
	Andrea Nasi
	Lupo Rattazzi
	Pio Teodorani-Fabbri

General Manager

Virgilio Marrone

Board of Statutory Auditors

Chairman	Cesare Ferrero
Standing Auditors	Giorgio Giorgi
	Lionello Jona Celesia
Alternate Auditors	Giorgio Ferrino
	Paolo Piccatti

The three-year terms of office for 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.

Corporate Governance

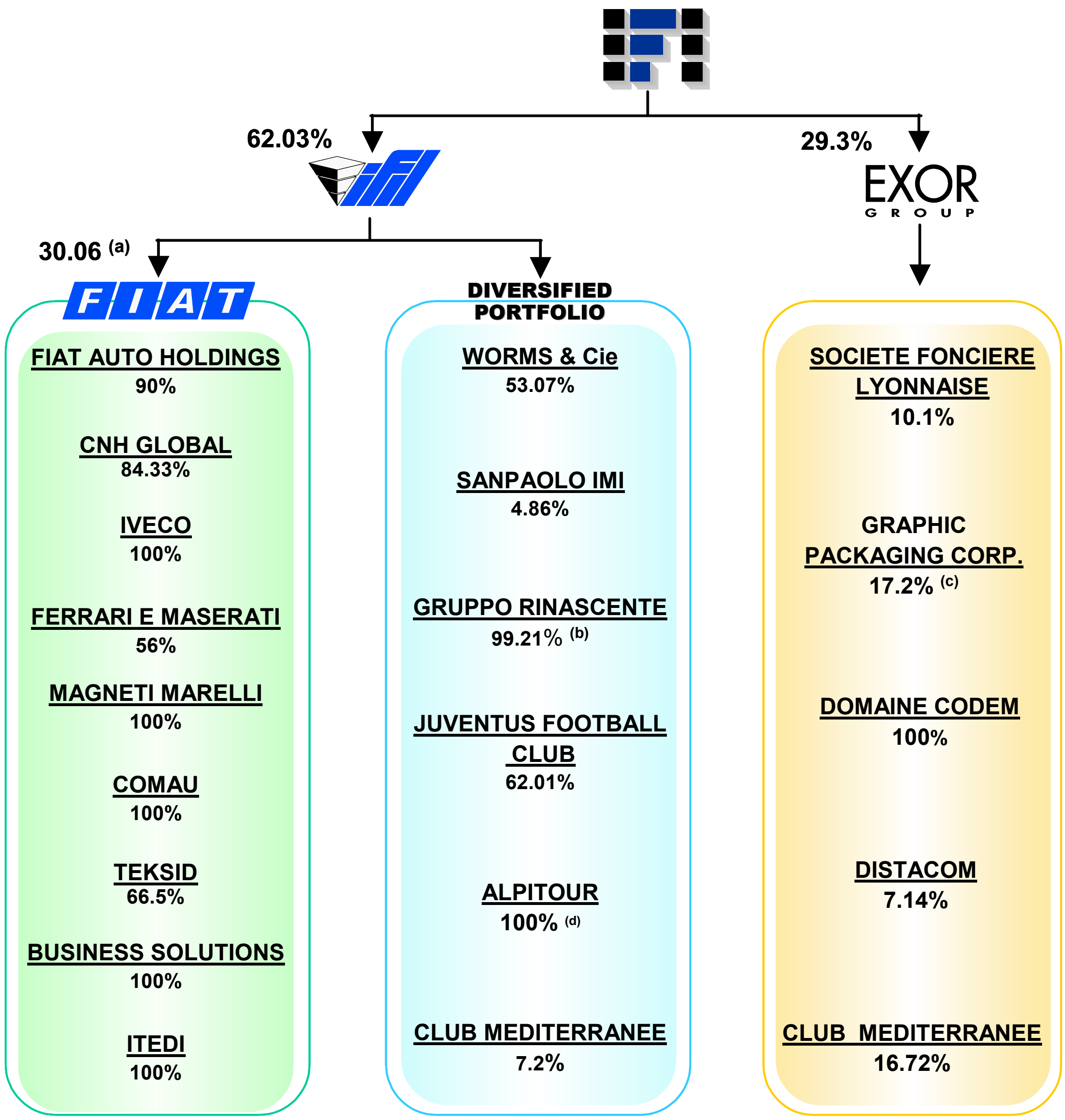
The Chairman, according to the by-laws (art. 21), may represent the Company, also before a court of law, and has signature powers, with the right, therefore, to carry out all acts which fall under the corporate business purpose, except as restricted by law, in compliance with article 2384 of the Italian Civil Code.
The Board of Directors, under resolution on May 29, 2003, has conferred specific operating powers to the Deputy Chairman, Gianluigi Gabetti, and to the Director, Pio Teodorani-Fabbri.
Specific operating powers have been conferred to the General Manager by power of attorney dated July 30, 2002.

Independent Auditors

Deloitte & Touche S.p.A.

IFI GROUP

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



(a) IFIL also holds 30.09% of the preferred capital stock.
(b) Control is exercised jointly with the Auchan group through Eurofind (40.47% IFIL and 40.47% Auchan).
(c) Company emerging from the merger of Riverwood and Graphic Packaging.
(d) Held through N.H.T. (90% IFIL and 10% TUI).

MAJOR EVENTS IN THE THIRD QUARTER OF 2003

IFI capital stock increase

On June 27, 2003, by the power vested in it pursuant to art. 2443 of the Italian Civil Code by the Extraordinary Stockholders' Meeting held on April 22, 2003, the Board of Directors of IFI S.p.A. voted to increase the capital stock against payment, and divisible, for a maximum amount of par value € 101,501,460, through the issue of:

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

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

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

The capital stock increase was therefore concluded with the subscription of the entire issue of 55,575,000 ordinary shares and the 45,926,460 preferred shares offered for total proceeds of € 457.4 million.

At September 30, 2003, IFI S.p.A.'s capital stock was entirely subscribed to and paid-in and amounted to € 163,251,460 and was composed of 86,450,000 ordinary shares and 76,801,460 preferred shares, all with a par value of € 1 each.

On September 30, 2003, IFI S.p.A. held 5,360,300 preferred treasury stock (unchanged from the end of 2002), equal to 6.98% of the class of stock and 3.28% of capital stock.

IFIL capital stock increase

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

In July 2003, after purchasing 810,126 rights, IFI subscribed to 233,861,025 new IFIL ordinary shares for a total outlay of € 304.2 million.

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

Following these transactions, IFI holds 643,783,399 IFIL ordinary shares, equal to 62.03% of IFIL ordinary capital stock (62.8% of ordinary capital stock outstanding).

CRITERIA USED IN THE PREPARATION OF QUARTERLY REPORTS

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

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

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

Income taxes are calculated, for each company and for each tax, by applying the average effective tax rate for the entire year to the pre-tax earnings for the period and, if necessary, adjusted to take into account significant extraordinary items. Deferred tax assets are recorded only when there is a reasonable certainty of recovery, in accordance with the principles of prudence and consistent valuation principles.

The quarterly report, in condensed form, has been prepared by accounting for the investments in IFIL (60.55% of capital stock outstanding) and in Exor Group (29.3% of capital stock outstanding) using the equity method.

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

- the investment in Soiem was deconsolidated by IFI beginning April 1, 2003 and from the same date, was consolidated line-by-line by IFIL. Effective the same date, the investments in Fiat and in Juventus Football Club were accounted for by IFIL using the equity method;

- accordingly, the condensed consolidated income statement of the IFI Group for the first nine months of 2003 shows, for the above holdings, only the share of the earnings (losses) for the first quarter 2003. The results of these holdings for the second and third quarters of 2003, instead, were indirectly recorded by accounting for IFI’s share of the consolidated result of the IFIL Group;

- the economic impact of the contribution of the investments in Fiat, Juventus Football Club, SANPAOLO IMI and Soiem (gains and losses compared to the carrying value of these holdings at March 31, 2003) have been completely eliminated, being a transaction with a subsidiary.

ANALYSIS OF CONDENSED CONSOLIDATED RESULTS

Results for the first nine months of the year

The consolidated net result of the IFI Group for the first nine months of 2003 was a loss of € 115.6 million (compared to a loss of € 168 million for the nine months ended September 30, 2002) mainly due to the loss of € 110.8 million reported by the Fiat Group for the first quarter of 2003.

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

The **Group's share of earnings (losses) of companies** accounted for using the equity method amounted to losses of € 100.4 million (losses of € 175.5 million in the first nine months of 2002) following IFI's share of the losses reported by the Fiat Group (- € 110.8 million) and Juventus Football Club (- € 4.5 million), only for the first quarter of 2003, the IFIL Group (- € 12.1 million) and the earnings posted by Exor Group (€ 5 million) and consolidation adjustments (€ 22 million).

Financial expenses, net, were of € 11.9 million (€ 12.8 million in the first nine months of 2002); the decrease of € 0.9 million was essentially attributable to lower average indebtedness during the third quarter of 2003.

General expenses, net, amounted to € 4.7 million (€ 6.8 million in the first nine months of 2003); the decrease of € 2.1 million was essentially due to the reduction of personnel and related costs.

Other expenses, net, included the partial release of income taxes previously accrued (taking into account the writedowns of financial fixed assets which became deductible at the end of 2002) of € 4.1 million, the costs incurred as part of the Reorganization of the Group (€ 1.6 million), the expenses related to the IFI S.p.A. capital stock increase (€ 0.3 million), the accrual for estimated extraordinary expenses (to be paid over several years) regarding recourse to the "Solidarity Fund" in connection with incentives for cutbacks in reference to some employees (€ 0.7 million) and special compensation to corporate boards (€ 0.3 million).

Net financial position at September 30, 2003 showed a net indebtedness position of € 289.6 million, a reduction (€ 131.7 million) compared to the net indebtedness position of € 421.3 million at the end of 2002.
The composition of the net financial position and changes in the first nine months of 2003 are detailed in the section "Condensed consolidated financial statements".

Stockholders' equity – Group at September 30, 2003 amounted to € 2,316.7 million (€ 2,026.2 million at the end of 2002). The changes in the first nine months of 2003 are provided in the section "Condensed consolidated financial statements".

Results for the third quarter of the year

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

The consolidated net income – Group for the third quarter of 2003 was € 14.4 million (compared to a net loss of € 93 million in the corresponding period of 2002), reflecting IFI's share of the earnings reported by the IFIL Group for the third quarter of 2003 of € 15.1 million.

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

- the **Group's share of earnings (losses) of companies accounted for using the equity method** in the third quarter of 2003 resulted in earnings of € 16.4 million (losses of € 85 million in the corresponding period of 2002);

- **financial expenses, net**, amounted to € 3.5 million (€ 4.6 million in the third quarter of 2002); the decrease of € 1.1 million was due to lower average indebtedness during the third quarter of 2003.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Condensed consolidated income statement

Year		9 months to September 30			III Quarter		
2002	€ in millions	**2003**	2002	Change	**2003**	2002	Change
(755.2)	Group's share of earnings (losses) of companies accounted for using the equity method	**(100.4)**	(175.5)	75.1	**16.4**	(85.0)	101.4
14.7	Dividends and related tax credits	**0.2**	14.7	(14.5)	**0.0**	0.0	0.0
(60.3)	Gains (losses), net	**0.0**	0.7	(0.7)	**0.0**	(0.2)	0.2
(7.4)	Amortization of goodwill	**0.0**	(0.3)	0.3	**0.0**	(0.1)	0.1
(808.2)	**Investment income (expenses), net**	**(100.2)**	(160.4)	60.2	**16.4**	(85.3)	101.7
(17.5)	Financial expenses, net	**(11.9)**	(12.8)	0.9	**(3.5)**	(4.6)	1.1
(9.2)	General expenses, net	**(4.7)**	(6.8)	2.1	**(1.3)**	(2.2)	0.9
(4.5)	Other income (expenses), net	**1.2**	(4.1)	5.3	**2.8**	(1.5)	4.3
(839.4)	**Income (loss) before taxes**	**(115.6)**	(184.1)	68.5	**14.4**	(93.6)	108.0
21.8	Current income taxes, net	**0.0**	2.9	(2.9)	**0.0**	0.6	(0.6)
14.6	Deferred taxes	**0.0**	13.2	(13.2)	**0.0**	0.0	0.0
(803.0)	**Net income (loss) - Group**	**(115.6)**	(168.0)	52.4	**14.4**	(93.0)	107.4

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

Year		9 months to September 30			III Quarter		
2002	€ in millions	**2003**	2002	Change	**2003**	2002	Change
(118.6)	IFIL Group	**(12.1)**	1.9	(14.0)	**15.1**	(17.1)	32.2
3.9	Exor Group	**5.0**	0.0	5.0	**0.7**	(1.0)	1.7
(642.2)	Fiat Group, I Quarter 2003	**(110.8)**	(159.3)	48.5	**0.0**	(67.5)	67.5
(22.0)	Juventus Football Club, I Quarter 2003	**(4.5)**	(19.0)	14.5	**0.0**	0.3	(0.3)
(778.9)		**(122.4)**	(176.4)	54.0	**15.8**	(85.3)	101.1
23.7	Consolidation adjustments	**22.0**	0.9	21.1	**0.6**	0.3	0.3
(755.2)	**Group's share of earnings (losses) of companies accounted for using the equity method**	**(100.4)**	(175.5)	75.1	**16.4**	(85.0)	101.4

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

Condensed consolidated balance sheet

9/30/2002		€ in millions	9/30/2003	12/31/2002		Change	6/30/2003
		Financial fixed assets:					
3,004.2		- investments	**2,534.2**	2,366.9		167.3	2,216.8
129.4		- treasury stock	**70.5**	70.5		0.0	70.5
5.2		- other receivables	**6.7**	6.7		0.0	6.7
3,138.8			**2,611.4**	2,444.1		167.3	2,294.0
10.8		Cash, receivables and other financial assets	**1.5**	1.8		(0.3)	2.6
21.2		Other assets	**18.4**	29.7		(11.3)	14.2
3,170.8		**Total assets**	**2,631.3**	2,475.6		155.7	2,310.8
		Stockholders' equity:					
2,705.4		- of the Group	**2,316.7**	2,026.2		290.5	1,848.8
10.7	(a)	- minority interest	**0.0**	10.4	(a)	(10.4)	0.0
2,716.1			**2,316.7**	2,036.6		280.1	1,848.8
		Financial payables:					
247.4		- banks, short-term	**11.2**	211.7		(200.5)	160.0
170.0		- banks, medium-term	**240.0**	170.0		70.0	277.5
0.0		- parent company, short-term	**36.5**	39.3		(2.8)	0.0
0.0		- subsidiaries, short-term	**0.0**	0.5		(0.5)	0.0
4.8		- other, financial accrued expenses and deferred income	**3.4**	1.6		1.8	1.5
422.2			**291.1**	423.1		(132.0)	439.0
32.5		Other liabilities and reserves	**23.5**	15.9		7.6	23.0
3,170.8		**Total liabilities and stockholders' equity**	**2,631.3**	2,475.6		155.7	2,310.8

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

Financial fixed assets - Investments

€ in millions	Number of shares held	% holding of class of stock	% holding of capital stock	Carrying value Per share (€)	Carrying value Total (€in ml)
Investments accounted for using the equity method					
IFIL - ordinary shares	643,783,399	62.03	59.88	3.657	**2,354.0**
Exor Group SA	3,418,242	29.30	29.30	52.455	**179.3**
Investments valued at cost					
Emittenti Titoli S.p.A.	720,000	8.78	8.78	0.516	**0.4**
Deutsche Morgan Grenfell Capital Italy SA					
- ordinary shares	1,034	1.11	0.35	513.890	**0.5**
- preferred shares	1,976	1.28	0.68	2.582	**0.0**
Total					**2,534.2**

Financial fixed assets – Treasury stock

Treasury stock at September 30, 2003 (unchanged compared to December 31, 2002) consisted of 5,360,300 IFI preferred shares, equal to 6.98% of the class of stock (3.28% of capital stock), for a total of € 70.5 million and a value per share of € 13.148. The market value of these shares, based upon the average September 2003 prices (€ 6.811 per share), was € 36.5 million, and based upon the average of the six-month period April-September 2003 (€ 6.496 per share), was € 34.8 million.

Stockholders' equity - Group

€ in millions		
Stockholders' equity - Group at December 31, 2002	**2,026.2**	
IFI S.p.A. capital stock increase	457.4	(a)
Share of the translation adjustments shown by the companies accounted for using the equity method (- € 79.9 million) and other net changes (€ 26.4 million)	(53.5)	
Increase in the consolidation reserve	2.2	
Consolidated net loss - Group	(115.6)	
Net change during the period	**290.5**	
Stockholders' equity - Group at September 30, 2003	**2,316.7**	

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

Composition of the net financial position of IFI S.p.A.

6/30/2003				**9/30/2003**			12/31/2002 (a)		
Short-term	Medium/ long-term	Total	€ in millions	**Short-term**	**Medium/ long-term**	**Total**	Short-term	Medium/ long-term	Total
2.6	0.0	2.6	**Cash and banks, financial receivables and other assets**	**1.5**	**0.0**	**1.5**	1.8	0.0	1.8
(160.0)	(277.5)	(437.5)	Borrowings from banks	**(11.2)**	**(240.0)**	**(251.2)**	(211.7)	(170.0)	(381.7)
0.0	0.0	0.0	Payables to parent company	**(36.5)**	**0.0**	**(36.5)**	(39.3)	0.0	(39.3)
(1.5)	0.0	(1.5)	Financial accrued expenses	**(3.4)**	**0.0**	**(3.4)**	(1.6)	0.0	(1.6)
0.0	0.0	0.0	Payables to subsidiaries	**0.0**	**0.0**	**0.0**	(0.5)	0.0	(0.5)
(161.5)	(277.5)	(439.0)	**Total financial liabilities**	**(51.1)**	**(240.0)**	**(291.1)**	(253.1)	(170.0)	(423.1)
(158.9)	(277.5)	(436.4)	**Net financial position**	**(49.6)**	**(240.0)**	**(289.6)**	(251.3)	(170.0)	(421.3)

(a) Included Soiem's cash of € 5.2 million.

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

€ in millions		
Net financial position of IFI S.p.A. and Soiem S.p.A. at December 31, 2002	**(421.3)**	
Deconsolidation of Soiem S.p.A.'s cash	(5.2)	
Dividends received from Exor Group (€ 4.4 million) and from Emittenti Titoli (€ 0.1 million)	4.5	
IFI S.p.A. capital stock increase	457.4	(a)
Subscription to IFIL capital stock increase (€ 304.2 million) and purchase of shares (€ 5.3 million)	(309.5)	(b)
Financial expenses, net	(11.9)	
General expenses, net	(4.7)	
Sale of receivables from the tax authorities to Group companies (+€ 2.6 million) and other changes, net (- € 1.5 million)	1.1	
Net change during the period	**131.7**	
Net financial position of IFI S.p.A. at September 30, 2003	**(289.6)**	

(a) Of which € 0.7 million for the sale of unexercised rights.
(b) Of which € 0.2 million for the purchase of rights.

SIGNIFICANT SUBSEQUENT EVENTS

There were no significant events subsequent to September 30, 2003.

FUTURE OUTLOOK

The persisting uncertainties surrounding the economic scenario will continue to negatively impact the result for the current year.

Nevertheless, the efforts now underway to relaunch FIAT and the new organizational structure of the companies IFI and IFIL, which clearly attribute a role of control to the first and a role of operating holding company to the second, constitute the premises for a turnaround of the Group.

OPERATING PERFORMANCE OF IFIL AND EXOR GROUP HOLDINGS

IFIL – FINANZIARIA DI PARTECIPAZIONI S.p.A.

(62.03% of ordinary capital stock)

The following consolidated data of the IFIL Group at September 30, 2003 has been taken from the condensed consolidated balance sheet and the condensed consolidated income statement. Such data has been prepared by consolidating the financial holding companies and Soiem line-by-line and proportionally and accounting for the subsidiaries and associated companies, including the operating holding companies, using the equity method.

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

		9 months to September 30			III Quarter		
12/31/2002	€ in millions	**2003**	2002	Change	**2003**	2002	Change
(367.0)	Net income (loss) - Group	**(20.0)**	6.0	(26.0)	**25.0**	(53.0)	78.0
(301.6)	Group's share of earnings (losses) of companies accounted for using the equity method	**(37.1)**	4.7	(41.8)	**14.1**	(35.8)	49.9
2,708.1	Stockholders' equity - Group	**4,111.9**	3,140.3	971.6	**-**	-	-
(484.4)	Consolidated net financial position of the "Holdings system"	**(464.5)**	(466.1)	1.6	**-**	-	-
3,207.2	Financial fixed assets	**4,801.1**	3,595.9	1,205.2	**-**	-	-

The first nine months of 2003 ended with a consolidated net loss for the IFIL Group of € 20 million compared to a consolidated net income of € 6 million for the corresponding period of 2002. The negative change of € 26 million was due to the reduction in dividends and the decrease in IFIL's share of the results of the subsidiaries and associated companies – particularly the Worms & Cie Group, which, however, had reported significant gains on the sale of investments in the first nine months of the prior year – compensated in part by the positive change in the gain on the sale of the 25% stake in Sifalberghi.

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

The stockholders' equity of the IFIL Group amounted to € 4,111.9 million. The increase of € 1,403.8 million from the balance at the end of 2002 originated from the transaction for the contribution of the investments by IFI (+€ 1,052 million), the capital stock increase in July 2003 (+€ 504 million), the loss for the period (- € 20 million), the share of the translation adjustments of the companies accounted for using the equity method (- € 132.7 million) and other net changes (+€ 0.5 million).

The consolidated net indebtedness position of the "Holdings System" went from € 484.4 million at the end of 2002 to € 464.5 million at September, 30 2003 due to the following changes:

€ in millions	
IFIL S.p.A. capital stock increase (and sale of unexercised rights for € 1.8 million)	504.0
Subscription to Fiat S.p.A. capital stock increase (and purchase of rights for € 5 million)	(549.6)
Investments in La Rinascente (2.15% of capital stock)	(38.4)
Investments in Worms & Cie (1.37% of capital stock)	(23.7)
Sale of 25% of the capital stock of Sifalberghi	32.0
Sale of 0.85% of the capital stock of Eurofind to Mediobanca	15.2
Other sales	2.2
Dividends received from holdings	124.0
Financial expenses and general expenses, net	(27.1)
Other changes, net	(18.7)
Total	**19.9**

The most important events in the third quarter of 2003 are described in the following paragraphs.

In August 2003, IFIL successfully concluded the capital stock increase voted by the Board of Directors on June 27, 2003, without the intervention of the Underwriting Syndicate, with the subscription of the entire issue of 386,321,490 ordinary shares offered for total proceeds of € 504 million (of which € 1.8 million came from the sale of unexercised rights).

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

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

In the period from July to October 2003, Eurofind purchased 6,439,712 ordinary shares, 6,105 preferred shares and 60,782 savings shares of La Rinascente for a total outlay of € 29.3 million.
At the end of October 2003, Eurofind held 99.21% of ordinary capital stock, 88.92% of preferred capital stock and 99.06% of savings capital stock of La Rinascente (a total of 99.09% of capital stock).

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

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

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

EXOR GROUP

(29.3% of ordinary capital stock)

Exor Group reported a consolidated net income for the first nine months of 2003 of € 16.9 million (compared basically to a breakeven in the corresponding period of 2002), due principally to the sale of the investment in Château Margaux, in the Espirito Santo Financial Group and a stake in SFL – Société Foncière Lyonnaise (7.6% of capital stock, out of an original investment of 17.7%). These transactions gave rise to a total net gain of € 53.5 million.

Such gains were in part offset by the provision of € 30 million to the Reserve for investment fluctuations, set aside to take into account the decline in the market prices of some listed investments during the period and, with reference to the United States companies, the strengthening of the euro against the U.S. dollar.

Dividends totaled € 7.4 million, whereas general expenses and other operating expenses, net, amounted to € 6.7 million for the first nine months of 2003.

During the period March-May 2003, Exor Group bought back treasury stock (14.6% of capital stock) for € 110 million, mainly following the Mentzelopoulos Group's exit from the stockholder structure. The Extraordinary Stockholders' Meeting then proceeded to cancel 2 million shares of ordinary treasury stock. Following this transaction, IFI and the parent company Giovanni Agnelli e C. hold almost all the capital stock of Exor Group.

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

At September 30, 2003, the net cash of Exor Group amounted to approximately € 244 million.

Turin, November 13, 2003

For the Board of Directors
The Chairman
Umberto Agnelli