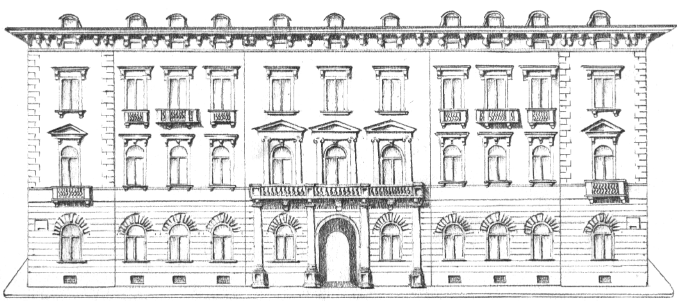
Istituto Finanziario Industriale

Capital stock - € 61,750,000 fully paid-in
Registered offices in Turin, Corso Matteotti 26
Turin Companies Register No. 00470400011



QUARTERLY REPORT
AT MARCH 31, 2003

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This in an English translation of the "Relazione Trimestrale al 31 Marzo 2003" approved by the IFI Board of Directors on May 14, 2003 and has been prepared solely for the convenience of the reader.
For complete information about IFI S.p.A. and its Group, reference should be made to the original document, in Italian, which takes precedence.

The Italian report and this translation are also available on the corporate website: http://www.gruppoifi.com

1. OFFICERS

BOARD OF DIRECTORS

Chairman	UMBERTO AGNELLI
Deputy Chairman	GIANLUIGI GABETTI
	SUSANNA AGNELLI
	ANNIBALE AVOGADRO DI COLLOBIANO
	JOHN PHILIP ELKANN
	GABRIELE GALATERI DI GENOLA
Secretary to the Board	FRANZO GRANDE STEVENS
	ANDREA NASI
	PIO TEODORANI-FABBRI

BOARD OF STATUTORY AUDITORS

Chairman	CESARE FERRERO
	GIORGIO GIORGI
	LIONELLO JONA CELESIA

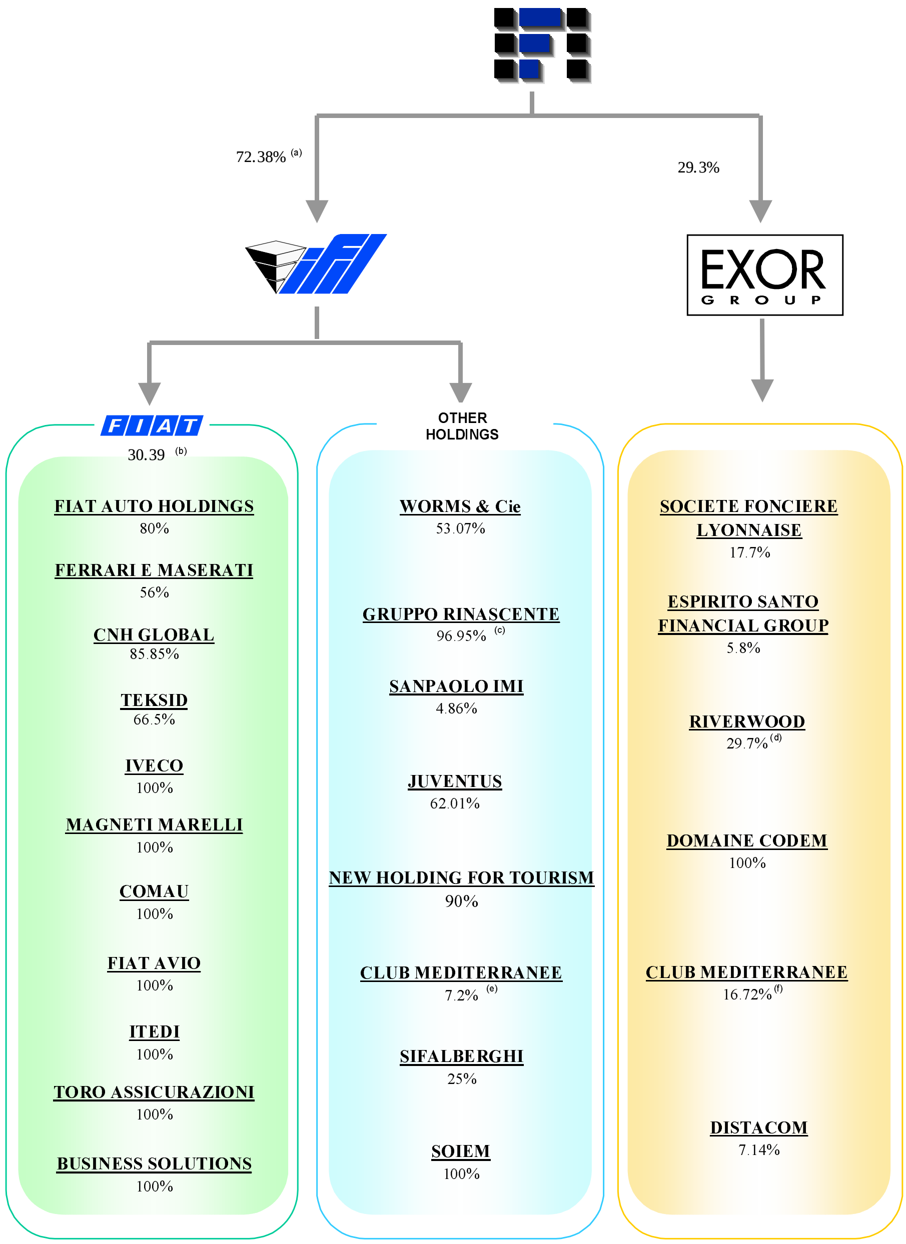
GENERAL MANAGER VIRGILIO MARRONE

The three-year terms of office for the Board of Directors and the Board of Statutory Auditors, elected by the Shareholders' Meeting on June 21, 2000, expire concurrently with the Shareholders' Meeting for the approval of the 2002 financial statements.

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 of March 3, 2003, has conferred specific operating powers to the Deputy Chairman.
Specific operating powers have been conferred to the Director Pio Teodorani-Fabbri under resolution of the Board of Directors of March 30, 2001.
Specific operating powers have been conferred to the General Manager on July 30, 2002.

2. THE IFI GROUP

The chart is updated to mid-May 2003. Percentage holdings refer to ordinary capital stock.



(a) Pre-voluntary conversion of IFIL savings shares to ordinary shares. IFI tendered 39.43% of savings capital stock for conversion.

(b) IFIL also holds 30.09% of preferred capital stock.

(c) Through Eurofind, jointly controlled by IFIL (40.47%) and the Auchan Group (40.47%). Eurofind also holds 98.95% of the savings capital stock and 87.89% of the preferred capital stock.

(d) In March, the Board of Directors of Riverwood voted to merge the company with Graphic Packaging, a company operating in the consumer products packaging sector listed on the New York Stock Exchange. The transaction will be finalized in the next few months.

(e) Equal to 6.2% of voting rights.

(f) Equal to 27% of voting rights.

3. SIGNIFICANT EVENTS

Subsequent to the resolution passed by the IFIL Extraordinary Shareholders' Meeting held on April 23, 2003, IFI and IFIL gave effect to the Group Reorganization Plan proposed by the respective Boards of Directors on March 3, 2003.
IFI thus contributed to IFIL the investments held in Fiat (77,944,334 ordinary shares, 19,582,500 preferred shares and 11,216,334 warrants 2007 for Fiat ordinary shares), in SANPAOLO IMI (16,300,000 ordinary shares), in Juventus Football Club (74,992,103 ordinary shares) and in Soiem (18,286,500 ordinary shares).
In exchange for this contribution, IFIL issued to IFI 167,450,949 ordinary shares and 119,635,991 savings shares for a total par value of € 287,086,940, in addition to a share premium of € 507,460,128.

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

After these transactions, IFI holds 307,684,874 IFIL ordinary shares (72.38% of ordinary capital stock) and 119,750,000 IFIL savings shares (39.43% of savings capital stock), equal to 58.65% of the entire capital stock of IFIL.

In May, IFI voluntarily converted all the 119,750,000 IFIL savings shares held, for which it will receive 101,787,500 new IFIL ordinary shares, without payment of any cash differential.
Based upon the preliminary results communicated by Monte Titoli, IFI will hold 62.85% of IFIL ordinary capital stock (59.44% of capital stock).

The above-described transactions took place in the second quarter of 2003. Therefore, the effect of these transactions on the balance sheet and income statement is not reflected in the quarterly report at March 31, 2003. However, it should be pointed out that the contribution transaction generated a gain, for IFI S.p.A., of € 22.6 million. A gain is expected on consolidation deriving from the increase in the stake held in IFIL.

Furthermore, the IFI Extraordinary Shareholders' Meeting held on April 22, 2003 authorized the Board of Directors, pursuant to article 2443 of the Italian Civil Code, to increase, in one or more instances, the capital stock for a maximum par value of € 500 million.

4. CRITERIA USED IN THE PREPARATION OF QUARTERLY REPORTS

The quarterly consolidated report of 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 and later changes).

The quarterly consolidated report is unaudited.

Taking into account the comments below, the quarterly consolidated report has been prepared according to principles which conform to those adopted in the condensed annual and six-month financial statements; such presentation makes it possible to compare the data published with the consolidated annual and six-month financial statements, prepared by consolidating the companies using the line-by-line method, in accordance with the law.

Certain more complex valuation procedures, particularly for the determination of eventual impairment losses of long-term financial 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 pretax earnings for the period and, if necessary, adjusted to take into account significant extraordinary items. Deferred tax assets are only recorded when there is a reasonable certainty of recovery, in accordance with the principles of prudence and consistent valuation.

In this quarterly report at March 31, 2003, the effects deriving from the contribution to IFIL of the investments in Fiat, SANPAOLO IMI, Juventus Football Club and Soiem have not been taken into account, since the transaction was carried out in April 2003.

At March 31, 2003, the scope of consolidation, essentially unchanged compared to the end of 2002, is as follows:

	% holding of oustanding capital stock		
	3/31/2003	12/31/2002	3/31/2002
Consolidated line-by-line			
IFI S.p.A.	-	-	-
Soiem S.p.A. (a)	**50.10**	50.10	50.10
Accounted for using the equity method			
Fiat Group (b)	**16.27**	16.27	16.27
IFIL Group	**32.34**	32.34	32.13
Exor Group	**27.67**	25.01	23.43
Juventus Football Club S.p.A.	**62.23**	62.23	62.02

(a) The remaining 49.9% of capital stock is held by IFIL.
(b) IFIL holds another 10.9% stake.

5. ANALYSIS OF IFI GROUP'S CONDENSED CONSOLIDATED RESULTS

The first quarter of 2003 closed with a consolidated loss for the IFI Group of € 143.5 million (compared to a net loss of € 96.2 million in the first quarter of 2002) which comes from its share of the loss of the Fiat Group equal to € 134.8 million, of which € 110.8 million refer to the interest held directly by IFI and € 24 million to that held through IFIL.

The main captions of the condensed consolidated income statement for the first quarter 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 € 134.5 million (losses of € 93.2 million for the first quarter of 2002) following the share of the losses of the Fiat Group (€ 110.8 million), the IFIL Group (€ 24.2 million) and Juventus Football Club (€ 4.5 million). Positive contributions were made by the share of the earnings posted by the Exor Group (+€ 4.7 million) and by consolidation adjustments (+€ 0.3 million).

Financial expenses, net amounted to € 4.7 million (€ 3.4 million in the first quarter of 2002); the increase of € 1.3 million is due to higher average indebtedness during the period.

General expenses, net amounted to € 2.2 million (€ 2.3 million in the first quarter of 2002, net of € 0.4 million for nonrecurring income).

Other expenses, net, equal to € 2.4 million, related to expenses incurred for the Reorganization Plan of the Group.

The net financial position of IFI and Soiem at March 31, 2003 is a debt position of € 428.4 million and shows a negative change of € 7.1 million compared to € 421.3 million at December 31, 2002.
Details of the composition of the consolidated net financial position and the changes during the first quarter of 2003 are presented in the tables 6.4 and 6.5.

The **shareholders' equity of the Group** at March 31, 2003 amounted to € 1,841.8 million (€ 2,026.2 million at December 31, 2002). Details of the changes during the period are provided in table 6.6.

6. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6.1 CONDENSED CONSOLIDATED INCOME STATEMENT

Year 2002	€ in millions	**I Quarter 2003**	I Quarter 2002	Change
(755.2)	Group's share of earnings (losses) of companies accounted for using the equity method	**(134.5)**	(93.2)	(41.3)
14.7	Dividends from other holdings and tax credits	**0.0**	0.0	0.0
(60.3)	Gains/(losses), net	**0.0**	0.9	(0.9)
(7.4)	Amortization of goodwill	**0.0**	(0.1)	0.1
(808.2)	**Investment expenses, net**	**(134.5)**	(92.4)	(42.1)
(17.5)	Financial expenses, net	**(4.7)**	(3.4)	(1.3)
(9.2)	General expenses, net	**(2.2)**	(1.9)	(0.3)
(4.5)	Other expenses, net	**(2.4)**	0.0	(2.4)
(839.4)	**Loss before income taxes**	**(143.8)**	(97.7)	(46.1)
21.8	Current income taxes, net	**0.0**	0.0	0.0
14.6	Deferred income taxes	**0.3**	1.5	(1.2)
(803.0)	**Net loss - Group**	**(143.5)**	(96.2)	(47.3)

6.2 GROUP'S SHARE OF EARNINGS (LOSSES) OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Year 2002		€ in millions	**I Quarter 2003**	I Quarter 2002	Change
(642.2)		Fiat Group	**(110.8)**	(86.1)	(24.7)
(118.6)		IFIL Group	**(24.2)**	2.1	(26.3)
(22.0)		Juventus Football Club (a)	**(4.5)**	(9.2)	4.7
3.9		Exor Group	**4.7**	(0.3)	5.0
(778.9)			**(134.8)**	(93.5)	(41.3)
23.7	(b)	Consolidation adjustments	**0.3**	0.3	0.0
(755.2)		**Group 's share of earnings (losses) of companies accounted for using the equity method**	**(134.5)**	(93.2)	(41.3)

(a) Data taken from interim financial statements prepared for purposes of consolidation in IFI.
(b) Relating to the Fiat Group (+€ 19.4 million) and the IFIL Group (+€ 4.3 million).

6.3 CONDENSED CONSOLIDATED BALANCE SHEET

3/31/2002	€ in millions	**3/31/2003**	12/31/2002	Change
	Long-term financial assets:			
3,384.6	- investments	**2,191.6**	2,366.9	(175.3)
127.3	- treasury stock	**70.5**	70.5	0.0
3.7	- other receivables	**6.7**	6.7	0.0
3,515.6		**2,268.8**	2,444.1	(175.3)
1.7	Cash and banks, financial receivables and other assets	**2.2**	1.8	0.4
20.9	Other assets, non-financial	**29.2**	29.7	(0.5)
3,538.2	**Total assets**	**2,300.2**	2,475.6	(175.4)
	Shareholders' equity:			
3,056.7	- Group	**1,841.8**	2,026.2	(184.4)
10.6	- Minority interest	**10.5**	10.4	0.1
3,067.3		**1,852.3**	2,036.6	(184.3)
	Financial payables:			
290.5	- banks, short-term	**239.8**	211.7	28.1
135.0	- banks, medium-term	**160.0**	170.0	(10.0)
0.0	- parent company, short-term	**25.6**	39.3	(13.7)
0.0	- subsidiaries, short-term	**0.6**	0.5	0.1
4.3	- other	**4.6**	1.6	3.0
429.8		**430.6**	423.1	7.5
27.1	Reserve for deferred taxes	**6.3**	6.6	(0.3)
14.0	Other liabilities and reserves	**11.0**	9.3	1.7
3,538.2	**Total liabilities and shareholders' equity**	**2,300.2**	2,475.6	(175.4)

6.4 COMPOSITION OF NET FINANCIAL POSITION OF IFI AND SOIEM

	3/31/2003			12/31/2002		
€ in millions	**Short-term**	**Medium/ long-term**	**Total**	Short-term	Medium/ long-term	Total
Cash and banks, receivables and other financial assets	**2.2**	**0.0**	**2.2**	1.8	0.0	1.8
Bank borrowings	**(239.8)**	**(160.0)**	**(399.8)**	(211.7)	(170.0)	(381.7)
Payables to parent company	**(25.6)**	**0.0**	**(25.6)**	(39.3)	0.0	(39.3)
Financial accrued liabilities and deferred income	**(4.6)**	**0.0**	**(4.6)**	(1.6)	0.0	(1.6)
Payables to subsidiaries	**(0.6)**	**0.0**	**(0.6)**	(0.5)	0.0	(0.5)
Total financial liabilities	**(270.6)**	**(160.0)**	**(430.6)**	(253.1)	(170.0)	(423.1)
Consolidated net financial position - IFI and Soiem	**(268.4)**	**(160.0)**	**(428.4)**	(251.3)	(170.0)	(421.3)

6.5 CHANGE IN THE NET FINANCIAL POSITION OF IFI AND SOIEM

€ in millions	
Net financial position IFI and Soiem at December 31, 2002	**(421.3)**
Financial expenses, net	(4.7)
General expenses, net	(2.2)
Other changes	(0.2)
Net change during the period	**(7.1)**
Net financial position IFI and Soiem at March 31, 2003	**(428.4)**

6.6 CHANGE IN THE CONSOLIDATED SHAREHOLDERS' EQUITY - GROUP

€ in millions	
Consolidated shareholders' equity – Group at December 31, 2002	**2,026.2**
Translation adjustments in the net equity of subsidiaries and associated companies	(39.2)
Other changes in the net equity of the companies accounted for using the equity method	(1.7)
Consolidated net loss - Group	(143.5)
Net change during the period	**(184.4)**
Consolidated shareholders' equity – Group at March 31, 2003	**1,841.8**

7. OUTLOOK OF IFI GROUP'S OPERATIONS FOR THE CURRENT YEAR

The persisting negative international economic outlook makes it difficult to advance any forecasts on the result for the current year. Nevertheless, the efforts taken to turnaround Fiat and the new organization of the IFI and IFIL companies, which clearly assigns to the first a controlling role and to the second an operating holding company role, represents the bases for a resumption of growth by the Group.

8. PERFORMANCE OF THE GROUP COMPANIES

The following describes the performance of the Group companies. The percentages indicated are updated to mid-May 2003.

8.1 FIAT GROUP

(holding through IFIL: 30.39% of ordinary capital stock and 30.09% of preferred capital stock)

€ in millions	**I Quarter 2003**	I Quarter 2002	Change Amount	%
Net revenues	**12,314**	14,147	(1,833)	-13.0
Operating loss	**(342)**	(299)	(43)	14.4
Net loss - Group	**(681)**	(529)	(152)	28.7
Consolidated net financial position (a)	**(5,175)**	(3,780)	(1,395)	36.9

(a) Data, respectively, at March 31, 2003 and December 31, 2002.

The first quarter of 2003 of the Fiat Group was another difficult period for the Fiat Group, as it continued to confront the problems that hampered its profitability last year in a weak global economy that continues to be characterized by a climate of uncertainty.

Net revenues amounted to € 12,314 million, a decrease of 13% compared to the first three months of 2002. The decline was about 10% on a comparable consolidation basis. This shortfall is largely the result of lower unit sales by Fiat Auto and CNH and of non-operating factors, including the impact of the conversion of CNH's dollar-denominated revenues into euros (which reduced revenues by about € 500 million) and, of lesser magnitude, the divestitures of certain Group businesses in 2002 and at the beginning of 2003 (Teksid's Aluminum Business Unit and Iveco's Fraikin).

The operating loss for the quarter totaled € 342 million, compared to € 299 million in the first three months of 2002, when it benefited from higher gains (about € 50 million) earned on the sale of real estate assets, especially by Toro Assicurazioni. Overall, while Fiat Auto narrowed its loss, the Group's other businesses saw their operating profits fall, even though, in the aggregate, they operated close to breakeven.

The consolidated net loss of the Group for the quarter came to € 681 million compared to € 529 million in the first three months of 2002. The main reasons for the loss are the costs and lost profits resulting from the flood that completely stopped production at the Termoli engine plant this past January and other charges of a temporary nature: an entry booked to mark to market the equity securities held by Toro Assicurazioni and the adjustment of the total return equity swap on General Motors shares, which was booked to reflect the fair market value of these shares at March 31, 2003. This loss, however, would almost totally disappear if the shares were valued at today's market prices. There were also some positive factors, including the extraordinary income earned on the sale of the Brazilian automobile retail financing activities.

At March 31, 2003, the net financial position showed net borrowings of € 5.2 billion, up about € 1.4 billion from December 31, 2002. The increase from the beginning of the year was due mainly to a rise in working capital caused by higher inventories held by CNH (due to seasonal factors) and Iveco (due to seasonal factors and the launch of new products), a drop in the amount of trade payables held by Fiat Auto and a rise in receivables owed by the tax authorities. Another factor affecting the level of indebtedness was the negative cash flow experienced during this period.

The resources absorbed by these factors were replaced in part by the proceeds generated by divestitures.

When the financing secured by an agreement with EDF within the context of the Italenergia transaction (€ 1,150 million) and the expected sale of the entire capital stock of Toro Assicurazioni, which is covered by a binding agreement (and will bring in about € 1.4 billion), are taken into account, the Group is fully in compliance with the requirements for reduction of net indebtedness stipulated in the terms of the mandatory convertible facility provided by the banks.

As far as the individual sectors are concerned, Fiat Auto reported an operating loss of € 334 million in the first quarter of 2003 (-€ 429 million in the same period last year). The improvement over the loss incurred in the first three months of 2002 shows that the Sector is beginning to respond to restructuring and cost-cutting efforts and reflects the benefits of the synergies developed with General Motors and of programs implemented to increase the quality of its sales.

CNH Global closed the first quarter of 2003 with an operating loss of € 8 million compared to operating income of € 30 million in the first three months of 2002. Price increases, better margins on new agricultural equipment models and the benefit of additional synergies developed by Case and New Holland were not enough to offset the effect of lower unit sales and a less favorable sales mix; the impact of anticipated cost increases for medical and pension costs (especially in the United States).

Iveco's operating income, which totaled € 2 million, is down from € 11 million in the first three months of 2002 despite higher unit sales and a better mix. The deconsolidation of Fraikin, heightened competitive pressures and the unfavorable exchange rate used to translate the data of the Brazilian operations had a negative impact on operating income.

The operating loss reported by Ferrari in the first quarter of 2003 of € 23 million, compared to € 18 million in the first quarter of 2002), was, as usual, due to seasonal costs for the racing division, higher research and development outlays, and unfavorable foreign exchange rates.

The other automobile sectors (Magneti Marelli, Teksid and Comau) reported an operating loss of € 35 million, in line overall with the € 33 million operating loss posted in the first quarter of 2002.

Among the major events which took place in the first quarter, some important agreements that will be finalized during the year are mentioned as follows:

- in March, Fiat signed the contract with Capitalia, Banca Intesa, SANPAOLO IMI and Unicredito for the sale of the 51% interest in Fidis Retail Italia, a company operating in Europe that provides credit to consumers for the purchase of motor vehicles.
  This transaction will enable the Fiat Group to reduce consolidated gross indebtedness by about € 6 billion.
- in the same month, the Fiat Board of Directors accepted the binding offer presented by the DeAgostini group for the 100% purchase of Toro Assicurazioni. The transaction will reduce the Group's net indebtedness by around € 1.4 billion.

As far as the outlook for 2003 is concerned, the Group's key markets are not expected to show appreciable signs of a turnaround until later this year.

In Europe, demand for automobiles will be lower than in 2002. The market for agricultural equipment should hold relatively steady, but sales of construction equipment are expected to decline further. Demand for commercial vehicles will be down across the board.
Despite such an unfavorable environment, all Group Sectors are working hard to achieve significant improvements in operating results and cash flow through rigorous cost-cutting programs and other measures.
By June, the Group's management intends to present to the financial markets the industrial and financial action guidelines that it will implement to achieve a lasting structural turnaround of its operations.

8.2 IFIL GROUP

(direct holding: 72.38% of ordinary capital stock and 39.43% of savings capital stock)

The highlights of the IFIL Group for the first three months of 2003 (condensed consolidated data, with the operating holdings accounted for using the equity method) are as follows:

	I Quarter	I Quarter	Change	
€ in millions	**2003**	2002	Amount	%
Net profit (loss) - Group	**(75.0)**	6.5	(81.5)	n.s.
- of which, Group's share of earnings (losses) of companies accounted for using the equity method	**(62.4)**	16.1	(78.5)	n.s.
Shareholders' equity - Group (a)	**2,587.5**	2,708.1	(120.6)	-4.4
Consolidated net financial position of the "holdings system" (a)	**(513.0)**	(484.4)	(28.6)	-5.9

(a) Data, respectively, at March 31, 2003 and December 31, 2002.

The first quarter of 2003 closed with a consolidated loss for the IFIL Group of € 75 million, which mostly represents the Group's share of the loss of the Fiat Group of € 74.1 million.

The Group's share of earnings (losses) of companies accounted for using the equity method amounted to losses of € 62.4 million (earnings of € 16.1 million in the first quarter of 2002) following the share of the losses of the Fiat Group (-€ 74.1 million), the NHT Group (-€ 7.9 million), the Rinascente Group (-€ 7.1 million) and other holdings (-€ 0.1 million). Positive contributions were made by the share of the earnings posted by the Worms & Cie Group (+€ 23.9 million) and by consolidation adjustments (+€ 2.9 million).

The shareholders' equity of the IFIL Group at March 31, 2003 amounted to € 2,587.5 million; the reduction of € 120.6 million compared to shareholders' equity at the end of 2002 is due to the loss for the period (-€ 75 million), the share of translation adjustments in the net equity of subsidiaries and associated companies (-€ 43.4 million) and other net changes (-€ 2.2 million).

The consolidated net debt position of the “holdings system” went from € 484.4 million at the end of 2002 to € 513 million. The negative change of € 28.6 million comes from the following flows:

€ in millions	
Investments in La Rinascente (1.48% of capital stock)	(26.3)
Sale of 0.85% of Eurofind capital stock to Mediobanca	15.2
Financial expenses and general expenses, net	(10.7)
Other changes, net	(6.8)
	(28.6)

The following describes the significant events in the early months of 2003.

In January, Eurofind, the subsidiary jointly controlled by the IFIL and Auchan Groups, launched a tender offer for the residual ordinary and preferred shares of La Rinascente and a voluntary tender offer for the purchase of La Rinascente savings shares for the purpose of obtaining all La Rinascente shares not yet held by Eurofind.
The transaction involved a total payment of € 60.9 million and the delisting of all classes of La Rinascente stock.
In accordance with what was previously agreed, the subsidiary Ifil Investissements and the Auchan Group sold, respectively, to Mediobanca and Société Générale 0.85% of the capital stock of Eurofind. Currently, Ifil Investissements and the Auchan Group, each hold 40.47% (50% of the voting rights) of Eurofind’s capital stock.
In April, Eurofind purchased other 135,436 ordinary shares, 5,756 preferred shares and 67,065 savings shares of La Rinascente for a total of € 1 million.
After these transactions, Eurofind holds 96.95% of ordinary capital stock, 87.89% of preferred capital stock and 98.95% of savings capital stock of La Rinascente (97.38% of capital stock).

At the end of April, Ifil Investissements increased its investment in Worms & Cie to 53.07% of capital stock by purchasing 1,438,059 Worms & Cie shares (1.37% of capital stock) for an outlay of € 23.7 million.

It should also be mentioned that on the basis of some protests that had already been expressed at the Shareholders’ Meeting held on April 23, 2003, the shareholder K Capital, by act notified on May 8, 2003, contested the resolution passed to increase IFIL’s capital stock reserved for IFI before the Turin Courts, asking for damage compensation from IFIL S.p.A. of an unspecified amount.

The persisting negative international economic outlook makes it difficult to advance any forecasts on the result for the current year in the consolidated financial statements. Nevertheless, the efforts taken to turnaround Fiat and the balanced portfolio of investments held by IFIL – less than one-third of which is concentrated in the automotive sector and more than two-thirds of which is diversified – constitute valid bases for the resumption of growth by the Group.

The new organization of the Group will lend support to this prospect: IFIL will be able to count on greater equity and financial soundness and to fully carry out its role as the operating holding company of the Group.

As regards the year 2003, the parent company IFIL S.p.A., on the basis of information available to date, is expected to report a profit.

8.3 EXOR GROUP

(direct holding: 29.3% of capital stock)

In the first quarter of 2003, the Exor Group posted a net profit of € 17 million (a loss of € 1.3 million in the first quarter of 2002) mainly as a result of the sale of the investment in Château Margaux, equal to 75% of capital stock, at a price that was appreciably higher than the relative carrying value. The gain realized on the sale was partly offset by the provision of € 30 million to the reserve for investment losses, raised to € 200 million to take into account the decline in the market price of Exor Group's listed companies during the first quarter. Under the transaction relating to Château Margaux, the company is committed to the purchase of the Exor Group shares held by the counterpart (Mme Corinne Mentzelopoulos, holder of the other 25% interest in Château Margaux and manager of the company since 1981). At March 31, 2003, 1.31 million ordinary shares of treasury stock had been purchased, equal to 9.6% of outstanding capital stock at the same date.

At the beginning of May, Exor Group purchased further treasury stock equal to 5% of capital stock and, then, in the extraordinary session of the shareholders' meeting, voted to cancel 2 million ordinary shares of treasury stock. As a result of the stock cancellation, IFI and the parent company, Giovanni Agnelli e C., hold almost all of the capital stock of Exor Group.

After the above transactions, Exor Group currently has net cash resources totaling some € 150 million.

8.4 JUVENTUS FOOTBALL CLUB

(holding through IFIL: 62.01% of capital stock)

€ in millions	**I Quarter 2003** (a)	I Quarter 2002 (a)	Change Amount	Change %
Operating revenues	**52.3**	57.3	(5.0)	-8.7
Gross operating profit (b)	**6.7**	11.2	(4.5)	-40.2
Net loss	**(7.2)**	(14.9)	7.7	-51.7
Net financial position (c)	**(4.0)**	34.8	(38.8)	n.s.

(a) Data reclassified. Since Juventus Football Club's financial year ends on June 30, of each year and taking into account the notable seasonal nature typical of this sector of activity, the data shown thus cannot represent the basis for full-year projections.
(b) Before amortization of players' registration rights.
(c) Data, respectively, at March 31, 2003 and December 31, 2002. Amounts in parentheses indicate a net debt position.

In the first quarter of 2003, as a result of having played fewer official games, operating revenues showed a reduction of € 5 million compared to the corresponding period of the prior year, arriving at € 52.3 million. While operating costs remained substantially unchanged, the gross operating profit recorded a similar reduction in terms of amount.

The net result for the first three months of the year is a loss of € 7.2 million. This is a significant improvement compared to the first quarter of 2002 (loss of € 14.9 million) when the company had reported, in the second stage of the transfer campaign 2001/2002, expenses for the management of players' registration rights of € 7.7 million.

The net financial position is a net debt position of € 4 million. The reduction from a net liquidity position of € 34.8 million at December 31, 2002 is due to seasonal financial flows which, typically, do not include significant receipts in the first quarter.

As regards the administrative formalities for the transfer of the long lease for the Stadio delle Alpi area, in February, the City of Turin voted to proceed to sign the notarized deed as soon as all the required documentation is received.

As for football, Juventus won its twenty-seventh Italian Championship title triumphing in the 2002/2003 season and qualified for the U.E.F.A. Champions League semifinals.

Turin, May 14, 2003

For the Board of Directors
The Chairman
Umberto Agnelli

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