

IFIL GROUP IN 2004



CONSOLIDATED FINANCIAL STATEMENTS AND
STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2004



Società per Azioni
Capital stock € 1,075,995,737, fully paid-in
Registered office in Turin - Corso Matteotti 26 - Turin Company Register No. 00914230016

**IFIL GROUP IN 2004
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This is an English translation of the Italian original document "Bilancio consolidato e Bilancio di esercizio al 31 dicembre 2004" approved by the IFIL 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 IFIL S.p.A. and the Group, reference should be made to the full original report in Italian "Il Gruppo IFIL nel 2004" containing the Directors' Report on Operations and the Consolidated and Statutory Financial Statements also available on the corporate website: <http://www.ifil.it>.

IFIL Group

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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	3,101	3,117	(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	10,635	10,813	(178)
Financial fixed assets	(note 3)		
Investments in			
. unconsolidated subsidiaries	285	528	(243)
. associated companies	4,003	4,286	(283)
. other companies	786	944	(158)
Total investments	5,074	5,758	(684)
Receivables from associated companies	1	1	0
Receivables from others	40	181	(141)
Total receivables	41	182	(141)
Other securities	94	84	10
Treasury stock	45	45	0
Finance lease contracts receivable	1,727	1,797	(70)
Other financial fixed assets	192	315	(123)
Total financial fixed assets	7,173	8,181	(1,008)
TOTAL FIXED ASSETS	22,001	23,705	(1,704)
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

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(€ in millions)	12/31/2004	12/31/2003	Change
CURRENT ASSETS (continued)			
Receivables	(note 5)		
Trade receivables	4,925	4,679	246
Receivables from unconsolidated subsidiaries	55	78	(23)
Receivables from associated companies	866	768	98
Deferred tax assets	2,206	1,907	299
Other receivables	3,184	3,325	(141)
Total receivables	11,236	10,757	479
Financial assets not held as fixed assets	(note 6)		
Investments	33	32	1
Treasury stock	5	2	3
Other securities	3,292	4,357	(1,065)
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	41,863	45,317	(3,454)
ACCRUED INCOME AND PREPAID EXPENSES	(note 7)		
	769	849	(80)
TOTAL ASSETS	64,633	69,871	(5,238)

IFIL 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	1,075	1,075	0
Additional paid-in capital	1,048	1,049	(1)
Revaluation reserves	3	3	0
Legal reserve	215	146	69
Treasury stock valuation reserve	50	47	3
Retained earnings and other reserves	1,931	2,148	(217)
Cumulative translation adjustments	(524)	(469)	(55)
Net income (loss)	119	(45)	164
Total stockholders' equity of the Group	3,917	3,954	(37)
Minority interest - capital and reserves	6,299	8,040	(1,741)
Minority interest - net loss	(1,137)	(1,477)	340
TOTAL STOCKHOLDERS' EQUITY	9,079	10,517	(1,438)
RESERVES FOR RISKS AND CHARGES			
	(note 9)		
Reserve for pensions and similar obligations	1,579	1,571	8
Income tax reserves	348	422	(74)
Consolidation reserve for risks and future expenses	0	70	(70)
Other reserves	3,948	3,830	118
Insurance policy liabilities and accruals	91	89	2
TOTAL RESERVES FOR RISKS AND CHARGES	5,966	5,982	(16)
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES			
	(note 10)		
	1,306	1,330	(24)
PAYABLES			
	(note 11)		
Bonds	9,112	9,910	(798)
Convertible bonds	13	1,765	(1,752)
Borrowings from banks	9,735	10,215	(480)
Other financial payables	1,269	1,405	(136)
Advances	9,935	9,166	769
Trade payables	11,880	12,596	(716)
Notes payable	749	955	(206)
Payables to unconsolidated subsidiaries	49	69	(20)
Payables to associated companies	1,000	854	146
Taxes payable	796	944	(148)
Social security payable	353	328	25
Other payables	1,426	1,500	(74)
TOTAL PAYABLES	46,317	49,707	(3,390)
ACCRUED EXPENSES AND DEFERRED INCOME			
	(note 12)		
	1,965	2,335	(370)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	64,633	69,871	(5,238)

IFIL 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 associated companies		0	10	(10)
on behalf of others		2,994	3,162	(168)
Total suretyships		2,994	3,172	(178)
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		5,755	6,542	(787)
Secured guarantees on behalf of others		87	47	40
TOTAL GUARANTEES GRANTED		5,842	6,589	(747)
COMMITMENTS				
Commitments related to derivative financial instruments		23,086	22,337	749
Commitments to purchase property, plant and equipment		415	330	85
Other commitments		13,096	10,686	2,410
TOTAL COMMITMENTS		36,597	33,353	3,244
THIRD-PARTY ASSETS HELD BY THE GROUP		1,594	2,017	(423)
GROUP ASSETS HELD BY THIRD PARTIES		3,279	4,672	(1,393)
OTHER MEMORANDUM ACCOUNTS		284	380	(96)

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CONSOLIDATED STATEMENT OF OPERATIONS			
(€ in millions)	2004	2003	Change
VALUE OF PRODUCTION	(note 14)		
Revenues from sales and services	51,877	53,510	(1,633)
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	54,316	55,554	(1,238)
COSTS OF PRODUCTION	(note 15)		
Raw materials, supplies and merchandise	(31,484)	(30,917)	(567)
Services	(9,530)	(9,853)	323
Leases and rentals	(450)	(434)	(16)
Personnel:			
salaries and wages	(5,109)	(5,339)	230
social security contributions	(1,336)	(1,409)	73
employee severance indemnities	(191)	(247)	56
employee pensions and similar obligations	(191)	(188)	(3)
other costs	(387)	(340)	(47)
Total personnel costs	(7,214)	(7,523)	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)	(1,112)	(58)
Expenses of financial services companies	(376)	(668)	292
Insurance claims and other insurance costs	(20)	(1,367)	1,347
TOTAL COSTS OF PRODUCTION	(54,273)	(55,941)	1,668
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION	43	(387)	430
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
others	(2,037)	(2,596)	559
Total interest and other financial expenses	(2,042)	(2,605)	563
Foreign exchange gains and losses	25	64	(39)
TOTAL FINANCIAL INCOME AND EXPENSES	(670)	(982)	312

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CONSOLIDATED STATEMENT OF OPERATIONS (continued)				
(€ in millions)		2004	2003	Change
ADJUSTMENTS TO FINANCIAL ASSETS (note 17)				
Revaluations of				
equity investments		176	224	(48)
securities held in current assets other than equity investments		0	15	(15)
Total revaluations		176	239	(63)
Writedowns of				
equity investments		(203)	(306)	103
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		(303)	(322)	19
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS		(127)	(83)	(44)
EXTRAORDINARY INCOME AND EXPENSES (note 18)				
Income				
gains on disposals		805	1,987	(1,182)
other income		173	192	(19)
Total income		978	2,179	(1,201)
Expenses				
losses on disposals		(7)	(56)	49
taxes relating to prior years		(39)	(27)	(12)
other expenses		(1,290)	(1,659)	369
Total expenses		(1,336)	(1,742)	406
TOTAL EXTRAORDINARY INCOME AND EXPENSES		(358)	437	(795)
LOSS BEFORE TAXES		(1,112)	(1,015)	(97)
INCOME TAXES, CURRENT AND DEFERRED (note 19)				
LOSS BEFORE MINORITY INTEREST		(1,088)	(1,729)	641
Minority interest		1,137	1,477	(340)
Use of the consolidation reserve for risks and future expenses		70	207	(137)
NET INCOME (LOSS)		119	(45)	164

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 IFIL 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 as 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 a timely basis without disproportionate expense, consolidated accounting data as of the date of the IFIL's consolidated financial statements. This treatment, allowed by IAS 27, does not affect the assertion that the consolidated financial statements are a true and correct representation of the financial position and results of operations of the Group 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 Itaú 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

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 for 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 include finance lease contracts receivable, recorded 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.

Reserves for pensions and similar obligations

As regards the Fiat Group, the reserve for pensions and similar obligations includes provisions for long-service or other bonuses (including pension funds required by some countries in which the Group operates), payable to employees and former employees under contractual agreements or by law, determined on an actuarial basis, where applicable. 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 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	Amortization	Change in the scope of consolidation	Reclassifications	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 amortization 12/31/2003	Additions	Amortization	Change in the scope of consolidation	Reclassifications	Foreign exchange effects	Disposals and other changes	Net of amortization 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 have been 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	3,117	85	(170)	21	101	23	(76)	3,101	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	10,813	2,265	(1,862)	68	0	21	(670)	10,635	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	11	0	(1)	4	0	0	(1)	13	6
Total	10,813	2,265	(1,862)	68	0	21	(670)	10,635	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	528	11	(72)	(13)	16	2	(187)	285
Associated companies	4,286	164	(106)	0	191	12	(544)	4,003
Other companies	944	1	(10)	(3)	8	0	(154)	786
Total investments	5,758	176	(188)	(16)	215	14	(885)	5,074

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	Equity in earnings	Equity in losses	Change in the scope of consolidation	Increases	Foreign exchange effects	Disposals and other changes	Balance at 12/31/2004
IFIL Holdings System								
Unconsolidated subsidiaries	88	0	(41)	0	0	0	(1)	46
Associated companies	467	0	(14)	0	116	0	(499)	70
Other companies	659	0	0	0	0	0	(35)	624
Total IFIL Holdings System	1,214	0	(55)	0	116	0	(535)	740
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	5,758	176	(188)	(16)	215	14	(885)	5,074

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

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
IFIL Holdings System					
Juventus Football Club S.p.A.	61.69	44	62.0	84	(40)
Fiat ordinary share warrants 2007		2		4	(2)
		46		88	(42)
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		285		528	(243)

Unconsolidated subsidiaries of the IFIL Holdings System

In 2003, the contribution of the investment in Juventus Football Club by the parent company IFI was booked at the economic value attributed to the investment of € 137 million. A comparison of this value and the underlying share of the stockholders' equity of the company at March 31, 2003 (€ 54 million) produced a difference on consolidation originally for € 83 million. Subsequently, a part of that difference, equal to € 43 million, was deducted from the consolidation reserve which arose in the same year, as allowed by law. At the end of 2004, the remaining difference on consolidation relating to Juventus Football Club (as a result of ordinary amortization and the reduction due to the subsequent sales of shares) had decreased to € 33 million. When the financial statements were closed, a charge was made to completely amortize this residual balance in order to correctly represent this item, also in consideration of the negative performance of ordinary operations in 2003/2004 and forecasts for a loss in the current year.

The reduction in the carrying value of Fiat ordinary share warrants 2007 equal to € 1 million is due to the adjustment of the warrants to the average market price in the second half of 2004 (€ 0.133).

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
IFIL Holdings System			
Eurofind Group	0	467	(467)
Eurofind Textile	70	0	70
	70	467	(397)
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 Société Anonyme	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	4,003	4,286	(283)

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 Automotive 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 *pro rata 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 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
IFIL Holdings System			
Sanpaolo IMI S.p.A.	620	620	0
Club Méditerranée S.A.	0	35	(35)
Other unlisted investments	4	4	0
	624	659	(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	786	944	(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	17	40	7	18	163	181	129
Total receivables	24	17	41	7	19	163	182	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
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	17	41	7	19	163	182	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; their 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 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

These refer to 11,927,410 IFIL ordinary shares, recorded at a total carrying value of € 45 million.

IFIL ordinary treasury stock in portfolio at December 31, 2004 has a par value of € 11,927 thousand and represents 1.15% of the class of stock and 1.11% of capital stock.

Compared to the average stock market price for the period March 1-15, 2005 (€ 3.39), IFIL ordinary shares show an unrealized loss of € 4.1 million. However, the per share carrying value of IFIL ordinary shares (€ 3.73) is basically in line with the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2004 (€ 3.64).

Financial fixed assets – Finance lease contracts receivable

Net amount 12/31/2003	Additions	Financial amortization	Foreign exchange effects	Change in the scope of consolidation	Disposals and other changes	Net amount 12/31/2004	Accumulated 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	(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	4,896	29	4,925	4,653	26	4,679
Receivables from unconsolidated subsidiaries	52	3	55	75	3	78
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	1,220	124	1,344	1,543	138	1,681
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	9,487	1,749	11,236	9,079	1,678	10,757

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
Receivables from unconsolidated 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
Receivables from unconsolidated 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
IFIL Holdings System						
Receivables from the tax authorities	46	0	46	64	0	64
Total receivables	9,487	1,749	11,236	9,079	1,678	10,757

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 allowances 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
Allowances 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.

Treasury stock - IFIL ordinary shares

These refer to 2,038,324 IFIL ordinary treasury stock (of which 532,000 shares are destined to service stock option plans) carried at € 5 million (€ 2.7 per share).

A comparison of only the shares not servicing stock option plans to the average stock market price for the period March 1-15, 2005 (€ 3.39) shows an unrealized gain of € 1 million.

The comparison of the carrying value of only the shares not destined to service stock option plans and the average market price in December, shows an unrealized gain.

Other securities

€ in millions	12/31/2004	12/31/2003	Change
Fiat Group			
4,384,019 Fiat shares servicing 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 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			
Other short-term investments of liquidity and other securities	1,047	427	620
Total other securities	3,292	4,357	(1,065)

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.

Financial 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 stock	Additional paid-in capital	Revaluation reserves	Legal reserve	Retained earnings and other reserves	Cumulative translation adjustments	Net income (loss) for the year	Stockholders' equity
Balance at December 31, 2003	1,075	1,049	3	146	2,195	(469)	(45)	3,954
Dividends paid by IFIL S.p.A.							(70)	(70)
Legal reserve adjustment				69	(69)			0
Net adjustments from the translation of foreign currency financial statements						(55)		(55)
Other changes, net					(31)			(31)
Appropriation of the prior year's loss and movements among equity accounts		(1)			(114)		115	0
Consolidated net income - Group							119	119
Balance at December 31, 2004	1,075	1,048	3	215	1,981	(524)	119	3,917

Capital stock

At December 31, 2004, the capital stock of IFIL S.p.A., fully subscribed to and paid-in, amounts to € 1,075,195,737 and is composed of 1,037,812,717 ordinary shares and 37,383,020 savings shares all with a par value of € 1 each.

The savings shares carry no voting rights and can either be registered or bearer shares, as elected by the stockholders. They carry the right to a preference dividend of 8.27% of their par value and to a total dividend higher than that of ordinary shares by 2.07% of the same par value.

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 € 1,500 million by the authority delegated, under the provisions of art. 2443 of the Italian Civil Code, to the Board of Directors in the Extraordinary Stockholders' Meeting on May 14, 2003. Bonds, even convertible bonds, may also be issued, at one or more times, up to the same figure but for amounts which, each time, shall not exceed those established by law.

The directors have the right, for a period of five years from the resolution passed May 25, 2001, to increase, at one or more times, the capital stock, excluding option rights, for a maximum amount of € 4 million, through the issue of a maximum of 4 million ordinary and/or savings shares, of par value € 1 each, to be offered for subscription to the employees of the company or its subsidiaries or the parent companies or the subsidiaries of the same parent companies.

Cumulative translation adjustments

Cumulative translation adjustments show a negative balance of € 524 million (a negative € 469 million at December 31, 2003) and show a net negative change of € 55 million which refers to the Fiat Group for € 29 million, the Worms & Cie Group for € 21 million and the Alpitour Group for € 5 million.

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 IFIL S.p.A..

Reconciliation to the stockholders' equity and net income (loss) for 2004 of the parent company IFIL 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 IFIL S.p.A.	80	3,205	73	3,194
Difference between the consolidated stockholders' equity and the stockholders' equity of the parent company at the beginning of the year		759		885
Net balance of changes during the year in the stockholders' equity of consolidated companies and companies accounted for using the equity method (excluding the results for the year) and translation adjustments		(86)		(265)
Difference between the economic value and accounting value of investments contributed by IFI			-	258
Share of earnings of consolidated companies and companies accounted for using the equity method, net of consolidation adjustments	445	445	59	59
Elimination of dividends received from consolidated companies and companies accounted for using the equity method	(403)	(403)	(175)	(175)
Adjustments to gains on sales of investments	(15)	(15)	2	2
Other consolidation adjustments	12	12	(4)	(4)
Consolidated financial statements of the IFIL Group	119	3,917	(45)	3,954

Stockholders' equity – Minority interest

Details are as follows:

€ in millions	12/31/2004			Total	12/31/2003
	%	Capital and reserves	Net income (loss)		
FIAT Group	72.4	5,458	(1,110)	4,348	5,618
Worms & Cie Group	46.9	833	(29)	804	915
Alpitour Group	-	8	2	10	30
Total		6,299	(1,137)	5,162	6,563

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	252	304	(52)
Total income tax reserves	348	422	(74)
Consolidation reserve for risks and future expenses	0	70	(70)
Other reserves:			
Warranty reserve	901	791	110
Restructuring reserves	431	482	(51)
Various liabilities and risk reserves	2,616	2,557	59
Total other reserves	3,948	3,830	118
Insurance policy liabilities and accruals	91	89	2
Total reserves for risks and charges	5,966	5,982	(16)

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	252	304	(52)
Deferred tax assets	(2,206)	(1,907)	(299)
Total	(1,954)	(1,603)	(351)

The net change of € 351 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	497
- Capital investment grants	17	18
- Other	616	680
Total deferred tax liabilities	1,339	1,780
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	(2,594)	(2,841)
Total deferred tax assets	(4,310)	(4,374)
Theoretical tax benefit connected to tax loss carryforwards	(4,726)	(4,386)
Adjustments for assets whose recoverability is not certain (mainly tax loss carryforwards)	5,743	5,377
Total deferred income tax reserve, net of deferred tax assets	(1,954)	(1,603)

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 (€ 4,310 million at December 31, 2004 and € 4,374 million at December 31, 2003), and tax loss carryforwards (€ 4,726 million at December 31, 2004 and € 4,386 million at December 31, 2003), have prudently been reduced for a total of € 5,743 million (€ 5,377 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 € 3,500 million (€ 3,064 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).

Consolidation reserve for risks and future expenses

The remaining balance of the consolidation reserve for risks and future expenses at December 31, 2003 (€ 70 million) was entirely utilized to cover the losses of the Fiat Group in 2004 referring to the share of the investment in Fiat conferred by IFI in 2003.

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 € 2,616 million at December 31, 2004 (€ 2,557 million at December 31, 2003) and represent the provisions made by the individual companies mainly for contractual and commercial risks and litigation. The increase of € 59 million compared to December 31, 2003 is the result of a combination of the balance between ordinary and extraordinary provisions of € 1,071 million, decreases for the effect of foreign exchange differences of € 21 million, decreases for utilizations of € 1,423 million and decreases for reversals and other minor changes of € 383 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	1,330	191	(215)	1,306

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	7,829	1,906	9,735	85	3,320	6,895	10,215	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	12,560	36	12,596	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
Taxes payable	762	34	796	10	915	29	944	2
Social security payable	351	2	353	0	324	4	328	0
Other payables	1,384	42	1,426	11	1,469	31	1,500	0
Total payables	29,685	16,632	46,317	4,071	27,263	22,444	49,707	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	9,735	0	9,735	0	10,215	0	10,215
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	12,596	0	0	12,596
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
Taxes payable	0	0	796	796	0	0	944	944
Social security payable	0	0	353	353	0	0	328	328
Other payables	0	0	1,426	1,426	0	0	1,500	1,500
Total payables	12,846	20,960	12,511	46,317	13,419	24,345	11,943	49,707

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".

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	from 5%	from 7.5%	from 10%	greater	Total
	than 5%	to 7.5%	to 10%	to 12.5%	than 12.5%	
Euro and euro-zone currencies	6,267	6,760	64	2	0	13,093
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	6,882	7,767	1,634	21	118	16,422
Total 2003 medium and long-term financial debt	9,403	8,260	968	7	200	18,838

Financial payables with nominal rates greater than 12.5% relate principally to Fiat Group companies 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 one year	Due beyond one year	Total	Of which due beyond 5 years		Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Bonds	1,868	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 01, 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 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	Of which due Total 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
Payables to unconsolidated subsidiaries	0	0	0	0	1	0	0	1
Payables to associated companies	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).

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	319	0	319	0	217	150	367	0
Trade payables	0	0	0	0	1	0	1	0
Taxes payable	2	0	2	0	2	0	2	0
Social security payable	1	0	1	0	1	0	1	0
Other payables	1	0	1	0	3	0	3	0
Total payables	523	100	623	0	224	450	674	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	319	0	319	0	367	0	367
Trade payables	0	0	0	0	1	0	0	1
Taxes payable	0	0	2	2	0	0	2	2
Social security payable	0	0	1	1	0	0	1	1
Other payables	0	0	1	1	0	0	3	3
Total payables	0	619	4	623	1	667	6	674

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.

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	529	597	(68)
Financial deferred income	221	364	(143)
Total accrued expenses and deferred income	1,965	2,335	(370)

Financial accrued expenses include interest expenses 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
Total guarantees granted	5,842	6,589	(747)

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.

Commitments

Commitments total € 36,597 million (€ 33,353 million at December 31, 2003) and include commitments related to derivative financial instruments of € 23,086 million (€ 22,337 million at December 31, 2003), other commitments of € 13,096 million (€ 10,686 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	IFIL Holdings System	Total
Contracts to hedge foreign exchange risks	5,350		52		5,402
Contracts to hedge interest rate exposure	13,880	857		395	15,132
Contracts for combined hedging of foreign exchange and interest rate risks	783	463			1,246
Call options purchased on General Motors common stock	1,240				1,240
Equity swaps	66				66
Total 2004	21,319	1,320	52	395	23,086
Total 2003	20,798	1,219	25	295	22,337

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 € 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.

IFIL S.p.A.

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 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
IFIL Holdings System	27	165	(138)
Total other commitments	13,096	10,686	2,410

Fiat Group

Other commitments total € 12,813 million at December 31, 2004 (€ 10,350 million at December 31, 2003) and 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 Treno 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; the 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 can not reduce its investment in Ferrari below 51% until the end, depending on the case, of the third or fourth year subsequent to signing the contract.
- Fiat holds a call option that allows it to repurchase the Ferrari shares at any time before June 30, 2006 (the original date of June 30, 2005 was extended by one year during the course of 2003, by virtue of the payment of a premium of € 16 million), except during the five months subsequent to the presentation of an IPO application to the competent authorities. The option exercise price is equal to the original price at which the shares were sold plus interest during the period based on the BOT yield plus 4%.
- Mediobanca, moreover, does not hold any put option to resell the purchased Ferrari shares to Fiat, even in the event that the IPO does not occur or is not completed.
- Fiat may share, in 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.

IFIL Holdings System

Other commitments 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 commitments 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 clean-up 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 € 3,279 million (€ 4,672 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 € 52,092 million, compared to € 52,435 million in 2003, with a decrease of 0.7%. They include revenues from sales and services of € 51,877 million (€ 53,510 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
IFIL Holdings System	1	4	(3)	(75.0)
Total net revenues of the Group	52,092	52,435	(343)	(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			
Italy	15,618	16,381	(763)
Europe (excluding Italy)	18,180	18,884	(704)
North America	5,857	5,920	(63)
Mercosur	3,196	2,595	601
Other areas	3,852	3,491	361
Total	46,703	47,271	(568)
Net revenues by destination - Worms & Cie Group			
Europe (excluding Italy)	2,888	2,621	267
North America	383	396	(13)
Other areas	724	912	(188)
Italy	285	285	0
Total	4,280	4,214	66
Net revenues by destination - Alpitour Group			
Europe (excluding Italy)	90	72	18
Other areas	16	34	(18)
Italy	1,002	840	162
Total	1,108	946	162
IFIL Holdings System	1	4	(3)
Total net revenues of the Group	52,092	52,435	(343)

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
IFIL Holdings System	61	21	40
Total costs of production	54,273	55,941	(1,668)

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 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.

Personnel

Personnel costs consist of the following:

€ in millions	2004	2003	Change
Salaries and wages	5,109	5,339	(230)
Social security contributions	1,336	1,409	(73)
Employee severance indemnities	191	247	(56)
Employee pensions and similar obligations	191	188	3
Other costs	387	340	47
Total personnel costs	7,214	7,523	(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
IFIL Holdings System			
Salaries and wages	6	5	1
Social security contributions	2	1	1
Employee severance indemnities	0	1	(1)
Other costs	1	0	1
Total IFIL Holdings System	9	7	2
Total personnel costs	7,214	7,523	(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	64,888	72,088	(7,200)
- Blue-collar	114,886	120,444	(5,558)
Total	179,774	192,532	(12,758)

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
IFIL Holdings System	65	61	4
Total	179,774	192,532	(12,758)

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
IFIL Holdings System	0	2	(2)
Total other operating costs	1,170	1,112	58

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)
- others:			
. bond interest	576	673	(97)
. bank interest	182	267	(85)
. interest on trade and other payables	27	18	9
. interest on notes payable	6	14	(8)
. discounts and other expenses	473	439	34
. expenses from derivative financial instruments	657	990	(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	2,037	2,596	(559)
Total interest and other financial expenses	2,042	2,605	(563)

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 approximately € 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)

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:			
- others:			
. bond interest	14	9	5
. bank interest	7	14	(7)
. discounts and other expenses	0	2	(2)
. expenses from derivative financial instruments	5	5	0
. interest on other financial payables	1	0	1
Total interest and other financial expenses	27	30	(3)

17) Adjustments to financial assets

€ in millions	2004	2003	Change
Revaluations:			
- equity investments	176	224	(48)
- securities held in current assets other than equity investments	0	15	(15)
Total revaluations	176	239	(63)
Writedowns:			
- equity investments	(203)	(306)	103
- 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	(303)	(322)	19
Total adjustments to financial assets	(127)	(83)	(44)

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: Itالenergia Bis S.p.A. for € 24 million, Atlant 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.

IFIL Holdings System

€ in millions	2004	2003	Change
Revaluations			
- equity investments	0	82	(82)
Total revaluations	0	82	(82)
Writedowns:			
- equity investments	(55)	(20)	(35)
- securities held in current assets other than equity investments	(1)	0	(1)
Total writedowns	(56)	(20)	(36)
Total adjustments to financial assets	(56)	62	(118)

Writedowns include the negative result of Juventus Football Club for € 4 million and the Eurofind Group for € 6 million, as well as the amortization of the differences on consolidation included in the carrying values of the holdings of Juventus Football Club for € 36 million (of which € 33 million is extraordinary amortization) and Eurofind for € 8 million. The caption also includes the writedown for the adjustment of the carrying value of Fiat ordinary share warrants 2007 (€ 1 million) to the average market price in the second half of 2004 (€ 0.133).

In 2003, the caption included the amortization of the difference on consolidation of Eurofind (€ 10 million) and Juventus Football Club (€ 4 million), and the negative result of Juventus Football Club (€ 6 million).

The revaluations of equity investments in 2003 referred to the result of the Eurofind Group.

With regard to the amortization of the difference on consolidation of Juventus Football Club, in 2003, the contribution of the investment in Juventus Football Club by the parent company IFI was booked at the economic value attributed to the investment of € 137 million. A comparison of this value and the underlying share of the stockholders' equity of the company at March 31, 2003 (€ 54 million) produced a difference on consolidation originally for € 83 million. Subsequently, a part of that difference, equal to € 43 million, was deducted from the consolidation reserve which arose in the same year, as allowed by law. At the end of 2004, the remaining difference on consolidation relating to Juventus Football Club (as a result of ordinary amortization and the reduction due to the subsequent sales of shares)

had decreased to € 33 million. When the financial statements were closed, a charge was made to completely amortize this residual balance in order to correctly represent this item, also in consideration of the negative performance of ordinary operations in 2003/2004 and forecasts for a loss in the current year.

18) Extraordinary income and expenses

€ in millions	2004	2003	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	805	1,987	(1,182)
Other income:			
- prior period income	20	32	(12)
- other income	153	160	(7)
Total other income	173	192	(19)
Total extraordinary income	978	2,179	(1,201)
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)	(1,001)	231
- prior period expenses	(18)	(49)	31
Total other expenses	(1,290)	(1,659)	369
Total extraordinary expenses	(1,336)	(1,742)	406
Total extraordinary income and expenses	(358)	437	(795)

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 extraordinary expenses:			
- extraordinary provisions to reserves	(2)	0	(2)
- other extraordinary expenses	(5)	(3)	(2)
Total other extraordinary 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.

IFIL Holdings System

€ in millions	2004	2003	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	613	37	576
Other income:			
- prior period income	1	0	1
- other income	3	1	2
Total other income	4	1	3
Total extraordinary income	617	38	579
Extraordinary expenses			
Other expenses:			
- extraordinary provisions to reserves	(2)	(2)	0
- other extraordinary expenses	0	(1)	1
Total other expenses	(2)	(3)	1
Total extraordinary expenses	(2)	(3)	1
Total extraordinary income and expenses	615	35	580

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).

In 2003, the gains referred to the sale of the 25% interest in Sifalberghi (€ 25 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	375	(508)	883
Total income taxes	24	(714)	738

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	368	398
Utilization of tax loss carryforwards	121	57
Tax effect of permanent differences	183	(132)
Tax effect of difference between foreign tax rates and theoretical Italian tax rates	7	48
Deferred tax assets not provided	(504)	(910)
Other differences	(19)	(47)
Total	156	(586)
IRAP	(132)	(128)
Income taxes recorded in financial statements, current and deferred income taxes	24	(714)

In order to render the reconciliation between income taxes recorded in the consolidated 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
IFIL Holdings System							
	1	0	1	(206)	38	0	2,094
Total of the Group	52,092	0	52,092	43	2,496	2,265	64,633
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
IFIL Holdings System							
	4	0	4	(65)	43	0	1,565
Total of the Group	52,435	0	52,435	(387)	2,472	2,160	69,871

(a) Intersegment net sales and 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) The 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 IFIL 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	IFIL S.p.A.	Subsidiaries	Total
Directors	1,849	1,966	3,815
Statutory Auditors	146	104	250
Total	1,995	2,070	4,065

In 2003, compensation amounted to € 4,813 thousand, of which € 2,312 thousand was paid by IFIL and € 2,501 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	(1,088)	(1,729)
Amortization and depreciation	2,550	2,472
Net change in reserve for employee severance indemnities	(34)	(134)
Change in deferred income taxes	(307)	422
Net gains on disposal of fixed assets	(805)	(1,986)
Revaluations and writedowns of equity investments	192	649
Dividends received from unconsolidated subsidiaries	256	37
Change in current assets and liabilities:		
- trade receivables	(260)	174
- net inventories	459	(381)
- trade payables	(508)	(28)
- other payables, receivables, accruals and deferrals	(274)	(586)
- reserves for income taxes and other reserves	(19)	(274)
- change in the scope of consolidation and others	(25)	(91)
Total cash flows provided by (used in) operating activities	137	(1,455)
C) Cash flows provided by (used in) investment activities		
Investments in:		
- property, plant and equipment	(2,265)	(2,160)
- equity investments	(451)	(327)
- intangible 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	3,235	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	3,292	2,893
D) Cash flows provided by (used in) financing activities		
Increase in borrowings	1,547	2,559
Repayment of borrowings	(5,001)	(6,948)
Net change in short-term financial receivables and payables	356	934
Increase in capital stock subscribed by minority interests	19	1,819
Distribution of profits and reserves and purchase of treasury stock	(122)	(74)
Total cash flows provided by (used in) financing activities	(3,201)	(1,710)
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 the 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 and President
Gianluigi Gabetti

IFIL S.p.A.

IFIL S.p.A.

BALANCE SHEET - ASSETS (in €)	12/31/2004	12/31/2003	Change
FIXED ASSETS			
Intangible fixed assets			
Start-up and expansion costs	6,700,352	8,933,802	(2,233,450)
Industrial patents and intellectual property rights	7,400	0	7,400
Total intangible fixed assets	6,707,752	8,933,802	(2,226,050)
Property, plant and equipment			
Industrial and commercial equipment	0	11,003	(11,003)
Financial fixed assets			
Investments in subsidiaries	3,013,139,183	3,303,459,308	(290,320,125)
Investments in other companies	463,196,503	463,196,503	0
Total investments	3,476,335,686	3,766,655,811	(290,320,125)
Treasury stock	41,686,783	41,686,783	0
Total financial fixed assets	3,518,022,469	3,808,342,594	(290,320,125)
TOTAL FIXED ASSETS	3,524,730,221	3,817,287,399	(292,557,178)
CURRENT ASSETS			
Receivables (a)			
Receivables from subsidiaries	253,736,965	138,278	253,598,687
Receivables from parent company	23,053	0	23,053
Taxes receivable	46,388,083	63,540,827	(17,152,744)
Other receivables	12,655	275,932	(263,277)
Total receivables	300,160,756	63,955,037	236,205,719
Financial assets not held as fixed assets			
Treasury stock	5,507,897	1,691,713	3,816,184
Cash			
Bank and post office accounts	112,242	151,772	(39,530)
Cash on hand	2,242	8,564	(6,322)
Total cash	114,484	160,336	(45,852)
TOTAL CURRENT ASSETS	305,783,137	65,807,086	239,976,051
ACCRUED INCOME AND PREPAID EXPENSES			
Prepaid expenses	1,575,453	1,138,479	436,974
Issue discounts	94,859	143,280	(48,421)
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	1,670,312	1,281,759	388,553
TOTAL ASSETS	3,832,183,670	3,884,376,244	(52,192,574)

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

IFIL S.p.A.

BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY (in €)	12/31/2004	12/31/2003	Change
STOCKHOLDERS' EQUITY			
Capital stock	1,075,195,737	1,075,195,737	0
Additional paid-in capital	1,047,946,979	1,049,454,391	(1,507,412)
Revaluation reserves			
Revaluation reserve Law 408/90	243,894,287	243,894,287	0
Property revaluation reserve Law 413/91	2,586,032	2,586,032	0
Total revaluation reserves	246,480,319	246,480,319	0
Legal reserve	215,039,147	145,764,918	69,274,229
Statutory reserves			
Extraordinary reserve	131,762,000	198,096,219	(66,334,219)
Treasury stock valuation reserve	47,194,680	43,378,496	3,816,184
Reserve for purchase of treasury stock	295,999,514	298,308,287	(2,308,773)
Undistributable reserve from cancellation of treasury stock	65,102,355	65,102,355	0
Net income	80,150,854	72,671,094	7,479,760
TOTAL STOCKHOLDERS' EQUITY	3,204,871,585	3,194,451,816	10,419,769
RESERVES FOR RISKS AND CHARGES - For income taxes, also deferred	100,000	5,749,183	(5,649,183)
income taxes			
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	2,247,715	1,589,707	658,008
PAYABLES (a)			
Bonds 2002-2005	200,000,000	200,000,000	0
Bonds 2003-2006	100,000,000	100,000,000	0
Borrowings from banks due within one year	318,604,239	216,936,671	101,667,568
Borrowings from banks due beyond one year	0	150,000,000	(150,000,000)
Trade payables	525,895	820,333	(294,438)
Payables to subsidiaries	529,370	9,128,464	(8,599,094)
Payables to parent company	8,933	201,156	(192,223)
Taxes payable	498,916	396,855	102,061
Social security payable			
due within one year	676,175	314,906	361,269
due beyond one year	206,874	71,576	135,298
Other payables	1,233,143	2,218,732	(985,589)
TOTAL PAYABLES	622,283,545	680,088,693	(57,805,148)
ACCRUED EXPENSES AND DEFERRED INCOME			
Accrued expenses	2,572,636	2,496,845	75,791
Deferred income	108,189	0	108,189
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	2,680,825	2,496,845	183,980
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	3,832,183,670	3,884,376,244	(52,192,574)
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS			
Commitments			
Contracts to hedge interest rate risk	395,000,000	295,000,000	100,000,000
Purchase of investments	0	162,390,909	(162,390,909)
Total commitments	395,000,000	457,390,909	(62,390,909)
Other memorandum accounts			
Securities held in deposit by third parties for stock lending	0	113,568,000	(113,568,000)
Securities held in custody by third parties	54,000,000	54,000,000	0
Shares to be delivered	3,232	3,232	0
Total other memorandum accounts	54,003,232	167,571,232	(113,568,000)

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

IFIL S.p.A.

STATEMENT OF OPERATIONS (in €)	2004	2003	Change
VALUE OF PRODUCTION			
Revenues from sales and services	13,519	1,148,367	(1,134,848)
Other income and revenues	1,497,855	262,404	1,235,451
TOTAL VALUE OF PRODUCTION	1,511,374	1,410,771	100,603
COSTS OF PRODUCTION			
Raw materials, supplies and merchandise	(122,388)	(92,682)	(29,706)
Services	(5,280,465)	(6,331,771)	1,051,306
Leases and rentals	(1,061,215)	(977,288)	(83,927)
Personnel			
salaries and wages	(3,992,494)	(3,359,352)	(633,142)
social security contributions	(1,362,957)	(994,005)	(368,952)
employee severance indemnities	(454,901)	(373,363)	(81,538)
other costs	(997,570)	(158,148)	(839,422)
	(6,807,922)	(4,884,868)	(1,923,054)
Amortization, depreciation and writedowns			
amortization of intangible fixed assets	(2,237,151)	(2,233,450)	(3,701)
depreciation of property, plant and equipment	(10,223)	(22,977)	12,754
	(2,247,374)	(2,256,427)	9,053
Other operating costs	(1,273,575)	(2,509,478)	1,235,903
TOTAL COSTS OF PRODUCTION	(16,792,939)	(17,052,514)	259,575
FINANCIAL INCOME AND EXPENSES			
Dividends relating to			
subsidiaries	273,943,332	55,089,962	218,853,370
associated companies	0	976,563	(976,563)
other companies	27,444,690	32,986,406	(5,541,716)
	301,388,022	89,052,931	212,335,091
Gains on sale of investment in subsidiary	521,280	0	521,280
Gains on sale of investment in associated company	0	22,951,022	(22,951,022)
	521,280	22,951,022	(22,429,742)
Other financial income			
from securities held as current assets	15,394	0	15,394
other income	758,086	1,353,911	(595,825)
	773,480	1,353,911	(580,431)
Interest and other financial expenses from			
subsidiaries	(134,100)	(248,190)	114,090
parent company	0	(74,067)	74,067
others	(26,783,114)	(29,632,855)	2,849,741
	(26,917,214)	(29,955,112)	3,037,898
Foreign exchange gains and losses	(2,809)	(225)	(2,584)
TOTAL FINANCIAL INCOME AND EXPENSES	275,762,759	83,402,527	192,360,232
ADJUSTMENTS TO FINANCIAL ASSETS			
Writedowns of financial fixed assets	(185,539,410)	0	(185,539,410)
Writedowns of securities held as current assets	(72,742)	0	(72,742)
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS	(185,612,152)	0	(185,612,152)
EXTRAORDINARY INCOME AND EXPENSES			
Income	808,962	30,297	778,665
Expenses	(466,647)	(357,672)	(108,975)
TOTAL EXTRAORDINARY INCOME AND EXPENSES	342,315	(327,375)	669,690
INCOME BEFORE TAXES	75,211,357	67,433,409	7,777,948
INCOME TAXES, CURRENT AND DEFERRED	4,939,497	5,237,685	(298,188)
NET INCOME	80,150,854	72,671,094	7,479,760

STRUCTURE AND CONTENT OF STATUTORY FINANCIAL STATEMENTS

The statutory financial statements for the year ended December 31, 2004 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 Directors' 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.

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 Italian Legislative Decree 127/91, this limit is represented by the amounts recorded in the financial statements at December 31, 1992.

Receivables

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

Financial assets not held as fixed assets

These are stated at the lower of the cost of acquisition, including accessory charges, determined using the LIFO method with annual adjustments and realizable value. If realizable value can be determined from the market

trend, it is defined as the average market prices for the last month of the year. Should the reasons for the writedown no longer apply, the value of current financial assets will be reinstated up to the limit of the cost of acquisition.

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 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 purchase of investments are recorded in the memorandum accounts on the basis of the agreed contractual amounts.

Securities held in deposit for stock lending are shown at the market price on the day of the inception of the contract.

Securities held in custody by third parties and shares to be delivered 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

€ in thousands	Original cost	Accumulated amortization	Balance at 12/31/2003	Changes during 2004		Balance at 12/31/2004
				Increases	Amortization	
Capital stock increase costs	11,167	2,233	8,934	-	2,233	6,701
Software user license rights		-	-	11	4	7
Total intangible fixed assets	11,167	2,233	8,934	11	2,237	6,708

The increase of € 11 thousand, relating to the review and updating of the Internet site, will be amortized over three years. Capital stock increase costs are amortized over five years.

Property, plant and equipment

The analysis of the changes in 2004 is summarized as follows:

€ in thousands	Depreciation rate	Original cost	Acc. depreciation	Net book value
Office furniture and equipment, motor vehicles	24/50			
Balance at December 31, 2003		200	(189)	11
Increase (Depreciation)		-	(10)	(10)
(Decrease) Disposal, retirements, etc.		(1)	-	(1)
Total property, plant and equipment		199	(199)	0

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				
Fiat S.p.A. (ordinary shares)	30.06	1,440,132	30.06	1,600,675
Fiat S.p.A. (preferred shares)	30.09	122,963	30.09	146,890
Fiat S.p.A. (ordinary share warrants 2007)	-	2,521	-	3,578
		1,565,616		1,751,143
Ifil Investissements S.A.	79.82	1,260,313	79.82	1,356,060
Ifil Investment Holding N.V.	100.00	162,775	100.00	162,775
Soiem S.p.A.	100.00	12,743	100.00	21,746
Juventus Football Club S.p.A.	61.69	11,665	62.01	11,725
Ifil New Business S.r.l.	100.00	27	100.00	10
		3,013,139		3,303,459
Other companies				
SANPAOLO IMI S.p.A.	4.77	463,194	4.86	463,194
Other companies - Consortiums	-	3	-	3
Total investments		3,476,336		3,766,656

Changes during the year in investments are presented below:

€ in thousands	Balance at 12/31/2003	Changes during the year			Balance at 12/31/2004
		Additions	Decreases	Writedowns	
Subsidiaries					
Fiat S.p.A. (ordinary shares)	1,600,675 (a)			(160,543)	1,440,132
Fiat S.p.A. (preferred shares)	146,890 (b)			(23,927)	122,963
Fiat S.p.A. (ordinary share warrants 2007)	3,578			(1,057)	2,521
	1,751,143	0	0	(185,527)	1,565,616
Ifil Investissements S.A.	1,356,060		(95,747)		1,260,313
Ifil Investment Holding N.V.	162,775 (c)				162,775
Soiem S.p.A.	21,746 (d)	122	(9,125)		12,743
Juventus Football Club S.p.A.	11,725		(60)		11,665
Ifil New Business S.r.l.	10	30		(13)	27
	3,303,459	152	(104,932)	(185,540)	3,013,139
Other companies					
SANPAOLO IMI S.p.A.	463,194				463,194
Other companies - consortiums					
	3				3
Total investments	3,766,656	152	(104,932)	(185,540)	3,476,336

(a) Net of writedowns of € 376,664 thousand.

(b) Net of writedowns of € 111,829 thousand.

(c) Net of writedowns of € 259,256 thousand.

(d) Net of writedowns of € 1,672 thousand.

The additions refer to:

- the absorption of the loss of the subsidiary Soiem;
- the payment for the capital stock increase of Ifil New Business.

The decrease refers to:

- the partial reimbursement of additional paid-in capital by Ifil Investissements;
- the reimbursement by Soiem following the reduction in its capital stock;
- the sale of 386,855 Juventus Football Club S.p.A. shares (0.32% of capital stock) on the market which generated a gain of € 521 thousand.

The writedowns refer to the adjustment of the carrying value of Fiat shares and warrants to the average market prices in the second half of 2004.

Moreover, the carrying value of the investment in Ifil New Business was adjusted to the net equity shown on the latest approved financial statements.

Further details on the variations in investments are provided in Annex 1. The list of investments, which presents additional data and information required by art. 2427 of the Italian Civil Code, is provided in Annex 2.

A comparison of carrying values and market prices of listed investments (please refer also to Annex 3) shows the following unrealized gains (losses):

€ in millions	Fiat ord.	Fiat ord. share	Fiat pref.	SANPAOLO IMI	Juventus	Total
	shares	warrants 2007	shares			
Market price at December 30, 2004	(21.4)	-	0.6	281.7	97.3	358.2
Average market price in the second half of 2004	-	-	-	219.8	102.6	322.4
Average market price March 1-15, 2005, update	(48.9)	1.8	12.0	333.4	90.3	388.6

The carrying value of the investment in Soiem S.p.A. is higher than the net equity shown in the financial statements for the year ending December 31, 2004; pursuant to art. 2426, paragraph 3, of the Italian Civil Code, a statement is made to the effect that, taking into account the writedowns made in previous years and the amount of the assets of the subsidiary, no adjustments have been made to the carrying value.

Financial fixed assets – Treasury stock

There were no transactions in ordinary treasury stock carried under financial fixed assets during the year.

At December 31, 2004, IFIL holds 11,117,148 IFIL ordinary shares, carried at a total value of € 41,687 thousand and at a per share value of € 3.75. The par value is € 11,117 thousand and represents 1.07% of the class of stock and 1.03% of capital stock. The comparison of the carrying value of such shares and the market price at December 30, 2004 shows an unrealized loss of € 5.2 million; compared to the average market prices in the second half of 2004, the unrealized loss is equal to € 10.4 million. The per share carrying value of IFIL ordinary shares (€ 3.75) is basically in line with the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2004 (€ 3.64).

Current assets – Receivables from subsidiaries

€ in thousands	12/31/2004	12/31/2003	Change
Financial receivables:			
Ifil Investissements S.A. - dividends declared in December 2004	253,553	0	253,553
Trade receivables:			
Rinascente/UPIM S.p.A.	61	64	(3)
Soiem S.p.A.	32	24	8
Worms & Cie S.A.	23	0	23
Ifil Investment Holding N.V.	17	17	0
Ifil Investissements S.A. - other receivables	13	12	1
Alpitour S.p.A.	10	5	5
Juventus Football Club S.p.A.	9	2	7
Fiat S.p.A.	6	0	6
Other companies	13	14	(1)
Total receivables from subsidiaries	253,737	138	253,599

The above trade receivables from subsidiaries originate from the performance of services, cost recoveries for personnel and compensation for the posts held by employees of IFIL on the Boards of these same companies.

Current assets – Receivables from parent company

These refer to receivables from the parent company IFI S.p.A. of € 23 thousand for the performance of services (€ 21 thousand) and cost recoveries (€ 2 thousand).

Current assets – Taxes receivable

€ in thousands	12/31/2004	12/31/2003	Change
Receivables from the tax authorities for prior years' taxes, refunds requested	42,284	51,206	(8,922)
Receivables from the tax authorities for current and prior years' taxes, carried forward	4,086	12,333	(8,247)
VAT receivable	18	2	16
Total taxes receivable	46,388	63,541	(17,153)

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	Refunds requested	Carried forward	Total
Balance at December 31, 2003	51,206	12,333	63,539
Irpeg 1984 and 1994 refunds	(13,662)	0	(13,662)
Sale to Worms & Cie and Alpitour Italian subsidiaries	0	(3,220)	(3,220)
Sale to the parent company IFI S.p.A.	0	(516)	(516)
Used to compensate withholdings payable	0	(516)	(516)
Tax receivable refunds requested	4,000	(4,000)	0
Interest earned during the year	740	0	740
Receivables arising during the year (withholdings paid)	0	5	5
Balance at December 31, 2004	42,284	4,086	46,370

Current assets – Treasury stock

Transactions involving IFIL ordinary treasury stock booked in current assets are as follows:

	No. of shares	Unit (€)	Total (€ in thousands)
Balance at December 31, 2003	700,000	2.42	1,691
Purchases	3,188,324	2.91	9,266
Sales	(1,850,000)	2.91	(5,376)
Adjustment of 532,000 shares destined to service stock option plans to the grant price			(73)
Balance at December 31, 2004	2,038,324 (a)	2.70	5,508

(a) Including 532,000 shares destined to service stock option plans.

Such shares have a par value of € 2,038 thousand and represent 0.20% of the class of stock and 0.19% of capital stock. The comparison of the carrying value of only the shares not destined to service stock option plans and the average market price in December, shows an unrealized gain of € 307 thousand.

Prepaid expenses

Prepaid expenses total € 1,670 thousand (€ 1,282 thousand at December 31, 2003) and relate to portions of costs referring to future years. In particular, costs incurred for the issue of IFIL bonds 2002/2005 and IFIL bonds 2003/2006 totaling € 640 thousand, of which € 95 thousand is for issue discounts, will be expensed to the statement of operations over the period of the bonds; € 845 thousand relates to fees for opening new credit lines, charged to the statement of operations on the accrual basis.

Capital stock

At December 31, 2004, the capital stock of IFIL S.p.A., fully subscribed to and paid in, amounts to € 1,075,195,737 and is composed of 1,037,812,717 ordinary shares and 37,383,020 savings shares of par value € 1 each.

The savings shares carry no voting rights and can either be registered or bearer shares, as elected by the stockholders. They carry the right to a preference dividend of 8.27% of par value and to a total dividend higher than that of ordinary shares by 2.07% of par value.

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 € 1,500 million by the authority delegated, pursuant to art. 2443 of the Italian Civil Code, to the Board of Directors by the Extraordinary Stockholders' Meeting held May 14, 2003. Bonds, even convertible bonds, may also be issued, at one or more times, up to the same figure but for amounts which, each time, shall not exceed those established by law.

The directors also have the right, for a period of five years from the date of the resolution passed May 25, 2001, to increase, at one or more times, the capital stock, excluding option rights, for a maximum amount of € 4 million, through the issue of a maximum of 4 million ordinary and/or savings shares, of par value € 1 each, to be offered for

subscription to the employees of the Company or its subsidiaries or the parent companies or the subsidiaries of the same parent companies.

At December 31, 2004, capital stock includes € 1,342 thousand of transfers from the revaluation reserves set up in the past, which, in the case of distribution, would form part of the taxable income of the Company.

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 and 2004
Capital stock	1,075,196			
Capital stock reserves:				
Additional paid-in capital (a)	1,047,948	A,B,C	1,047,948	420,596
Revaluation reserve Law 408/90 (b)	243,894	A,B,C	243,894	
Property revaluation reserve Law 413/91 (b)	2,586	A,B,C	2,586	
Legal reserve	98,423	B	0	
Special gain reserve Law 169/83	0		0	248
Treasury stock valuation reserve	24,727		0	
Extraordinary reserve	697	A,B,C	697	
Undistributable reserve from cancellation of treasury stock	39,950	A,B	0	
Dividend equalization reserve	0		0	2,458
Merger surplus reserve	0		0	93,090
Reserve for purchase of treasury stock	295,999		0	
Earnings reserves:				
Legal reserve	116,616	B	0	
Treasury stock valuation reserve	22,467		0	
Extraordinary reserve	131,066	A,B,C	131,066	
Undistributable reserve from cancellation of treasury stock	25,152	A,B	0	
Total	3,124,721		1,426,191	516,392
Portion not distributable (c)			(6,708)	
Residual portion distributable			1,419,483	

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 € 247,177 thousand, of which € 243,894 thousand relates to the Revaluation reserve formed under Law 408/90, € 2,586 thousand to the Revaluation reserve formed under Law 413/91 and € 697 thousand to other reserves. In the event of distribution, these reserves 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 - Reserves for income taxes, also deferred income taxes

Details of the changes during the year are as follows:

€ in thousands	Income tax reserves		
	Current	Deferred	Total
Balance at December 31, 2003	810	4,939	5,749
Decrease:			
- for release to income for amount in excess	(710)		(710)
- for provision set aside in 2000 for deferred gains subject to taxation in 5 years		(4,939)	(4,939)
Balance at December 31, 2004	100	-	100

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	Agreement	Total
	Sever. Indem.	12/23/1999	
Balance at December 31, 2003	1,223	367	1,590
Provisions	348	107	455
Increase for transfers from other Group companies	388	92	480
Decrease for transfers to other Group companies	(112)	(30)	(142)
Payments and advances	(122)	(13)	(135)
Balance at December 31, 2004	1,725	523	2,248

IFIL bonds 2002/2005

IFIL 2002/2005 bonds, issued following the resolution passed by the Board of Directors' Meeting on November 14, 2002, amount to € 200 million. The bonds, subscribed to by primary institutional investors, bear interest at floating rates payable quarterly and are indexed against the Euribor.

The bonds are repayable by a one-time payment at maturity on December 20, 2005.

For purposes of fixing the interest rate on part of the bonds, interest rate swaps and zero cost collars were put into place for € 145 million.

IFIL bonds 2003/2006

IFIL 2003/2006 bonds, issued following the resolution passed by the Board of Directors' Meeting on December 2, 2003, amount to € 100 million. The bonds, subscribed to by primary institutional investors, bear interest at floating rates payable quarterly and are indexed against the Euribor.

The bonds are repayable by a one-time payment at maturity on December 19, 2006.

For purposes of fixing the interest rate, an interest rate swap was put into place on the entire amount of the bonds.

Borrowings from banks due within one year

These amount to € 318,604 thousand (€ 216,937 thousand at December 31, 2003) and include loans of € 150 million due at the end of October 2005, on which interest rate swaps have been put into place to guarantee a fixed interest for the entire loan period. The remaining balance of borrowings amounts to € 168,604 thousand.

At December 31, 2004, the company has irrevocable lines of credit available totaling € 830 million, of which € 370 million is due beyond one year.

Payables to subsidiaries

Payables to subsidiaries amount to € 529 thousand and refer entirely to trade payables.

€ in thousands	12/31/2004	12/31/2003	Change
Soiem S.p.A.	461	515	(54)
Welcome Travel Group S.p.A.	18	0	18
Savarent S.p.A.	16	22	(6)
Fiat Auto S.p.A.	15	3	12
Soiem S.p.A. (financial payables)	0	8,556	(8,556)
Other payables	19	32	(13)
Total payables to subsidiaries	529	9,128	(8,599)

Payables to parent company

These refer to payables of € 9 thousand due to the parent company IFI S.p.A. for the performance of services (€ 201 thousand at the end of 2003).

Taxes payable

Taxes payable amount to € 499 thousand (€ 397 thousand in 2003) and relate to Irpef withholding taxes. 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)	386 ^(a)	159	227
INPS social security contributions on salaries and unused vacation and holidays	496	226	270
INAIL	1	1	0
Total social security payable	883	386	497

(a) Including € 207 thousand due 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 (€ 386 thousand in total) represent the extraordinary contribution that IFIL 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	769	164	605
Board of Statutory Auditors compensation	177	178	(1)
Monte Titoli fees and fixed charges	105	187	(82)
Stockholders for dividends not yet collected	14	76	(62)
Extraordinary compensation for the former Managing Director	0	1,200	(1,200)
Extraordinary compensation for the Chairman and President	0	250	(250)
Sundry	168	164	4
Total other payables	1,233	2,219	(986)

Accrued expenses

Accrued expenses amount to € 2,573 thousand and include interest expenses on bank borrowings (€ 1,825 thousand), IFIL bonds 2002/2005 (€ 282 thousand), IFIL bonds 2003/2006 (€ 101 thousand) and fees for credit lines not drawn down (€ 365 thousand).

Deferred income

Deferred income amounts to € 108 thousand and refers to the portion of financial income referring to future periods, already collected during the year.

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

Contracts to hedge interest rate risk

These total € 395 million, of which € 150 million relates to interest rate swaps on loans maturing in October 2005, zero cost collars and interest rate swaps for € 145 million on part of the IFIL 2002/2005 bonds and interest rate swaps for € 100 million on all IFIL 2003/2006 bonds.

The transactions in derivative financial instruments have been put into place to guarantee a fixed interest rate for the entire period of the contract; they are exclusively used to hedge the risk of interest rate fluctuations and are therefore not valued separately.

Securities held in deposit by third parties

These amount to € 54 million and represent the par value of equity shares held in deposit by third parties.

Shares to be delivered

These refer to the par value of 3,232 IFIL ordinary shares (issued as a result of capital increases effected in prior years) not yet collected by those entitled to do so.

ANALYSIS OF THE INDIVIDUAL ITEMS OF THE STATEMENT OF OPERATIONS

Value of production – Revenues from sales and services

These amount to € 14 thousand (€ 1,148 thousand in 2003) and refer to fees on stock lending transaction. In 2003, this caption had included fees returned by the banks which had guaranteed the successful outcome of the Fiat capital stock increase in July 2003 (€ 1,128 thousand).

Value of production – Other income and revenues

€ in thousands	2004	2003	Change
Compensation for posts held by IFIL employees in other companies	246	113	133
Services rendered to Group companies and cost recoveries			
- Ifil Investissements S.A.	1,077 ^(a)	12	1,065
- IFI S.p.A. (parent company)	70	0	70
- Juventus Football Club S.p.A.	25	0	25
- Rinascente/UPIM S.p.A.	17	19	(2)
- Campi di Vinovo S.p.A.	5	0	5
- Ifil Investment Holding N.V.	4	3	1
Sundry revenues and income	54	115	(61)
Total other income and revenues	1,498	262	1,236

(a) Including € 1,064 thousand relating to cost recoveries on extraordinary transactions.

Costs of production – Raw materials, supplies and merchandise

These costs total € 122 thousand (€ 93 thousand in 2003) and refer to the purchase of stationery and supplies, printed forms and gifts.

Costs of production – Services

Services total € 5,280 thousand and show a reduction of € 1,052 thousand compared to 2003 (€ 6,332 thousand). Details of the main service expenses are as follows:

€ in thousands	2004	2003	Change
Consulting and services rendered by			
- Third parties	1,279 ^(a)	1,887	(608)
- Soiem S.p.A. (subsidiary company)	656	954	(298)
- IFI S.p.A. (parent company)	25	163	(138)
	1,960	3,004	(1,044)
Compensation to corporate boards			
- Board of Directors	1,708	1,608	100
- Special compensation	84	500	(416)
- Board of Statutory Auditors	146	146	0
- Audit Committee and Compensation Committee	31	31	0
- Executive Committee	26	26	0
- Common representative of savings stockholders	2	2	0
- Supervisory Panel	6	0	6
	2,003	2,313	(310)
Travel expenses	440	337	103
Bank charges, expenses for dividend payments and listing fees	365	199	166
Insurance	137	90	47
Office management and security	90	160	(70)
Employee expenses	89	78	11
Audit fees	58	51	7
Maintenance, transport and car insurance	24	27	(3)
Other expenses	114	73	41
Total service expenses	5,280	6,332	(1,052)

(a) Including € 95 thousand for consulting fees relative to extraordinary transactions and € 479 thousand for legal fees regarding pending litigation (€ 1,227 thousand in 2003).

Costs of production – Leases and rentals

These amount to € 1,061 thousand (€ 977 thousand in 2003) and include the rent on the Turin headquarters (€ 776 thousand to the subsidiary company Soiem S.p.A.), leases for office machines (€ 28 thousand), cars for service use (€ 202 thousand) and other rentals (€ 55 thousand).

Costs of production – Personnel

These total € 6,808 thousand (€ 4,885 thousand in 2003) and show a total net increase of € 1,923 thousand due to an increase in the average number of staff (from 38 to 42) and the provision booked for estimated monetary incentives based on 2004 results.

Other costs of personnel include the contribution (€ 268 thousand) to the Corporate Employee Benefits Fund – Pension Fund, administered separately from the balance sheet, in which IFIL 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 42 (38 at the end of 2003).

The average number of employees in 2004 was 42, summarized by category as follows:

	2004	2003
Managers	10	9
Management staff	11	6
Clerks	17	19
Messengers	4	4
Average number of employees	42	38

Costs of production – Other operating costs

Other operating costs total € 1,274 thousand (€ 2,509 thousand in 2003, of which € 1,347 thousand is for nonrecurring expenses relating to nondeductible VAT on capital stock increase expenses, legal expenses and expenses connected with the residual takeover bid for La Rinascente shares).

Details are as follows:

€ in thousands	2004	2003	Change
Indirect taxes and duties	714	697	17
Publication of annual, first-half and quarterly financial statements	159	121	38
Association dues	143	71	72
Notary and corporate charges	121	110	11
Donations	83	35	48
Books, newspapers and magazines	32	27	5
Ads	22	97	(75)
Sundry	0	4	(4)
Total sundry other costs	1,274	1,162	112
Nonrecurring expenses	0	1,347	(1,347)
Total other operating costs	1,274	2,509	(1,235)

Dividends

Details of dividends from holdings are as follows:

€ in thousands	2004 Dividends	2003	
		Dividends	Tax credits
Subsidiaries			
Ifil Investissements S.A.	273,943 (a)	50,090	0
Ifil Investment Holding N.V.	0	5,000	0
Associated companies			
Sifalberghi S.r.l.	0	625	352
Other companies			
SANPAOLO IMI S.p.A.	27,445	21,111	11,875
Total	301,388	76,826	12,227

(a) Including € 253,553 thousand accrued on the basis of the resolution passed by the Stockholders' Meeting of the subsidiary in December 2004, collected in 2005.

Gains on sale of investment in subsidiary

These total € 521 thousand and come from the sale of 386,855 Juventus Football Club S.p.A. shares on the market (0.32% of capital stock).

Other financial income – From securities held as current assets

This amounts to € 15 thousand and originates from the sale of 1,850,000 IFIL ordinary treasury stock (0.18% of the class of stock).

Other financial income – Other income

€ in thousands	2004	2003	Change
Interest income on receivables from:			
- Tax authorities	740	1,003	(263)
- Banks	18	350	(332)
- Other	0	1	(1)
Total	758	1,354	(596)

Interest and other financial expenses from subsidiaries

These total € 134 thousand and refer to the loan received from the subsidiary Soiem S.p.A., with interest at current market rates; this loan was repaid during 2004.

Interest and other financial expenses from others

These refer to:

€ in thousands	2004	2003	Change
Interest expenses on IFIL bonds 2002/2005	8,451	8,451	0
Interest expenses and financial charges on borrowings from banks	7,246	13,592	(6,346)
Interest rate hedging charges on bank loans and IFIL bonds	6,306	6,124	182
Interest expenses on IFIL bonds 2003/2006	3,057	110	2,947
Bank fees	1,293	1,074	219
Portion of issue expenses on IFIL bonds	430	282	148
Total	26,783	29,633	(2,850)

Adjustments to financial assets – Writedown of financial fixed assets and securities held as current assets

Valuations adjustments of € 185,613 thousand refer to the following writedowns:

€ in thousands	
Financial fixed assets	
Fiat, 240,583,447 ordinary shares (from € 6.65 to € 5.99)	160,543
Fiat, 31,082,500 preferred shares (from € 4.73 to € 3.96)	23,927
Fiat, 18,914,511 ordinary share warrants 2007 (from € 0.19 to € 0.13)	1,057
Ifil New Business	13
Total financial fixed assets	185,540
Current assets	
IFIL, 532,000 ordinary shares (from € 2.42 to € 2.28)	73
Total	185,613

Extraordinary income and expenses

Extraordinary income totals € 809 thousand and € 709 thousand of that amount relates to the release of the current income tax reserve in excess of requirements, € 64 thousand to unclaimed dividends and € 36 thousand to prior period income.

Extraordinary expenses of € 467 thousand include costs to support the Solidarity Fund (MD 158/2000) and employee reduction plans (€ 381 thousand in total) and other extraordinary expenses (€ 86 thousand).

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 € 4,939 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 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). Details are as follows:

€ in millions	2004		2003	
	Temporary differences	Tax effect (33% rate)	Temporary differences	Tax effect (34% rate)
Deferred tax benefit	n.a.	-	n.a.	-
Deferred tax expense				
Gains on investments realized in 2000 (€ 75 million) subject to taxes over 5 years	15	5	15	5
Net deferred income taxes		5		5
Temporary differences excluded from the calculation of deferred income taxes				
Tax losses carried forward:				
- year 2001	58		58	
- year 2002	58		58	
- year 2003	76		76	
- year 2004	123			
Total tax losses carried forward	315		192	
Writedown of financial fixed assets deductible in future years				
	229		336	

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

€ in millions	2004	2003
IRES taxes		
Pre-tax income	75	67
Increases:		
- permanent differences	10	2
- writedown of financial fixed assets	186	-
- gains on investments deferred in prior years	15	15
Total increases	211	17
Decreases:		
- 95% of dividends collected	(45)	(52)
- dividends accrued but not yet collected	(254)	0
- portion of writedown of investments deductible over 5 years	(107)	(107)
- other differences	(3)	(1)
Total decreases	(409)	(160)
Taxable loss	(123)	(76)

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	Non-monetary benefits	Bonuses and other incentives	Other compensation
Directors in office							
Gabetti Gianluigi	Chairman and President	1/1-12/31	2005	1,620	2		17 (e)
Winteler Daniel John	Managing Director (b) and General Manager	1/1-12/31	2005	97	25		1,026 (f)
Brandolini d'Adda Tiberto	Director	1/1-12/31	2005	16			200 (e)
Elkann John	Director	6/11-12/31	2005	9	1		418 (g)
Ferrero Edoardo	Director	1/1-12/31	2005	8			
Garosci Luigi	Director	1/1-12/31	2005	21 (c)			
Grande Stevens Franzo	Director	1/1-12/31	2005	12			300 (e)
Greco Mario	Director	1/1-12/31	2005	10 (d)			
Lombardi Giancarlo	Director	1/1-12/31	2005	12			
Marocco Antonio Maria	Director	1/1-12/31	2005	8			
Recchi Giuseppe	Director	1/1-12/31	2005	8			
Saracco Claudio	Director	1/1-12/31	2005	11			5 (e)
Teodorani-Fabbri Pio	Director	1/1-12/31	2005	8			
Directors no longer in office							
Arnaudo Luigi	Director	1/1-3/29		3			
Bischoff Winfried	Director	1/1-9/30		6			
Total Board of Directors				1,849	28		1,966
Board of Statutory Auditors							
Locatelli Piero	Chairman	1/1-12/31	2005	62			11 (e)
Ferrero Cesare	Statutory Auditor	1/1-12/31	2005	42			93 (e)
Girolamo Natale Ignazio	Statutory Auditor	1/1-12/31	2005	42			
Total Board of Statutory Auditors				146			104

(a) The term of office expires in concurrence with the Stockholders' Meeting that will approve the financial statements for the year ended December 31, 2004.

(b) Appointed Managing Director on June 11, 2004.

(c) Following waiver of the compensation by the Director, IFIL donated the amount to Fondazione Piemontese per la Ricerca sul Cancro di Candiolo.

(d) The compensation was paid directly to the company RAS.

(e) Compensation for the posts held in subsidiaries.

(f) Employment income.

(g) Compensation for the posts held in subsidiaries and 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 expired during year			Options held at end of year		
		Number of options	Average exercise price	Exercise period (months/year)	Number of options	Average exercise price	Exercise period (months/year)	Number of options	Average exercise price	Exercise period (months/year)
Gabetti Gianluigi										
Chairman and President	IFIL ord.	532,000	2.28	1/5 - 12/06				532,000	2.28	1/5 - 12/06
Winteler Daniel John										
Managing Director and General Manager	IFIL ord.	532,550	2.49	1/5 - 12/06				532,550	2.49	1/5 - 12/06
Arnaudo Luigi (a)										
Director	IFIL ord. Alpitour	385,650 614,000	5.99 6.73	1/4 - 12/6 8/2006	47,500	7.93	4/04	338,150 614,000	5.72 6.73	1/5 - 12/06 8/2006

(a) Director no longer in office.

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 and President
Gianluigi Gabetti

ANNEXES TO THE NOTES TO THE STATUTORY FINANCIAL STATEMENTS

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Turin, March 30, 2005

For the Board of Directors
The Chairman and President
Gianluigi Gabetti

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

	Balance at December 31, 2003			
	Number of shares/quotas	% of class of capital stock	Carrying value	
			Per share €	Total €/000
SUBSIDIARIES				
FIAT S.p.A. - (ordinary shares) - Turin (Italy)	240,583,447	30.06	6.65	1,600,675
FIAT S.p.A. - (preferred shares) - Turin (Italy)	31,082,500	30.09	4.73	146,890
FIAT ORD. SHARE WARRANTS 2007	18,914,511	-	0.19	3,578
IFIL INVESTISSEMENTS S.A. - Luxembourg	886,548	79.82	1,529.60	1,356,060
IFIL INVESTMENT HOLDING N.V. - Netherlands	120,000	100.00	1,356.46	162,775
JUVENTUS FOOTBALL CLUB S.p.A. - Turin (Italy)	74,992,103	62.01	0.16	11,725
SOIEM S.p.A. - Turin (Italy)	36,500,000	100.00	0.60	21,746
IFIL NEW BUSINESS S.r.l. - Turin (Italy)	1	100.00	-	10
Total subsidiaries				3,303,459
OTHER COMPANIES				
SANPAOLO IMI S.p.A. - Turin (Italy)	70,371,000	4.86	6.58	463,194
Total other companies				463,194
OTHER COMPANIES - CONSORTIUMS				3
TOTAL INVESTMENTS				3,766,656

Changes during 2004				Balance at December 31, 2004			
Increase		Decrease		Number of shares/quotas	% of class of capital stock	Carrying value	
No. of shares/quotas	Carrying value €/000	No. of shares/quotas	Carrying value €/000			Per share €	Total €/000
			160,543	240,583,447	30.06	5.99	1,440,132
			23,927	31,082,500	30.09	3.96	122,963
			1,057	18,914,511	-	0.13	2,521
			95,747	886,548	79.82	1,421.60	1,260,313
				120,000	100.00	1,356.46	162,775
		386,855	60	74,605,248	61.69	0.16	11,665
	122	18,250,000	9,125	18,250,000	100.00	0.70	12,743
	30		13	1	100.00	-	27
	152		290,472				3,013,139
				70,371,000	4.77	6.58	463,194
							463,194
							3
	152		290,472				3,476,336

LIST OF INVESTMENTS IN SUBSIDIARIES AT DECEMBER 31, 2004

	Capital Stock			
	Number of shares/quotas	Currency	Par value	Amount
SUBSIDIARIES - MECHANICAL SECTOR				
FIAT S.p.A. - Turin (Italy)				
- ordinary shares	800,417,598	Euro	5	4,002,087,990
- preferred shares	103,292,310	Euro	5	516,461,550
- savings shares	79,912,800	Euro	5	399,564,000
- Fiat ordinary share warrants 2007				
	983,622,708			4,918,113,540
SUBSIDIARIES - FINANCIAL SECTOR				
IFIL INVESTISSEMENTS S.A. - Luxembourg	1,110,742	Euro	150	166,611,300
IFIL INVESTMENT HOLDING N.V. - Netherlands	120,000	Euro	450	54,000,000
IFIL NEW BUSINESS S.R.L. - Turin (Italy)	1	Euro		15,000
SUBSIDIARIES - OTHER COMPANIES				
JUVENTUS FOOTBALL CLUB S.p.A. - Turin (Italy)	120,932,000	Euro	0.1	12,093,200
SOIEM S.p.A. -Turin (Italy)	18,250,000	Euro	0.5	9,125,000

(a) Data relating to the Fiat Group refers to the consolidated financial statements for the year ended December 31, 2004. Data relating to Juventus FC S.p.A. refers to the first-half financial statements at December 31, 2004.
Data taken from the financial statements for the year ended December 31, 2004 for the other companies.

IFIL's investment						
Number of shares/quotas	% of ownership of		Carrying value		Stockholders' equity (a) €/000	Net income (loss) (a) €/000
	Capital stock	Class of stock	Per share €	Total (€/000)		
240,583,447	24.46	30.06	5.99	1,440,132	5,099,000	(1,586,000)
31,082,500	3.16	30.09	3.96	122,963		
18,914,511			0.13	2,521		
886,548	79.82	-	1,421.60	1,260,313	1,993,158	509,042
120,000	100.00	-	1,356.46	162,775	257,941	92,335
1	100.00		-	27	27	(12)
74,605,248	61.69	-	0.16	11,665	71,172	(9,774)
18,250,000	100.00	-	0.70	12,743	12,436	(129)

**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					
	Number of shares	Carrying value		Market prices at December 30, 2004		
		Per share €	Total (€/000)	Per share €	Total (€/000)	Difference (€/000)
FIAT S.p.A., ordinary shares	240,583,447	5.986	1,440,132	5.897	1,418,721	(21,411)
FIAT ORDINARY SHARE WARRANTS 2007	18,914,511	0.133	2,521	0.131	2,485	(36)
FIAT S.p.A., preferred shares	31,082,500	3.956	122,963	3.976	123,584	621
JUVENTUS FOOTBALL CLUB S.p.A.	74,605,248	0.156	11,665	1.460	108,924	97,259
SANPAOLO IMI S.p.A., ordinary shares	70,371,000	6.582	463,194	10.585	744,877	281,683
			2,040,475		2,398,591	358,116
IFIL S.p.A., ordinary shares	11,117,148	3.750	41,687	3.285	36,520	(5,167)
			41,687		36,520	(5,167)

Average market prices II half 2004			Average market prices December 2004		
Per share €	Total (€/000)	Difference (€/000)	Per share €	Total (€/000)	Difference (€/000)
5.986	1,440,132	0	5.847	1,406,691	(33,441)
0.133	2,521	0	0.125	2,366	(155)
3.956	122,963	0	3.899	121,191	(1,772)
1.531	114,221	102,556	1.466	109,371	97,706
9.705	682,951	219,757	10.301	724,892	261,698
	2,362,788	322,313		2,364,511	324,036
2.817	31,317	(10,370)	3.055	33,963	(7,724)
	31,317	(10,370)		33,963	(7,724)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEAR 2002

€ in thousands	Capital stock	Additional paid-in capital	Revaluation reserves	Special gain reserve (Law 169/83)
Balance at December 31, 2001	441,738	806,396	246,480	248
Ordinary stockholders' meeting on May 27, 2002				
- Appropriation of 2001 net profit				
. Dividends to Stockholders				
. Extraordinary reserve				
Changes deriving from purchase of 265,290 IFIL savings shares				
Revocation of resolution to purchase treasury stock of May 25, 2001				
		378,870		
Transfer to Reserve to purchase treasury stock pursuant to art. 2357 and 2357-ter of the Italian Civil Code				
		(400,000)		
Changes deriving from purchase of 344,386 IFIL ordinary shares and 2,794,285 savings shares				
Changes deriving from writedown of IFIL ordinary and savings shares				
		15,378		
Statute-barred dividends				
Net loss 2002				
Changes in 2002	0	(5,752)	0	0
Balance at December 31, 2002	441,738	800,644	246,480	248

Legal reserve	Treasury stock valuation reserve	Extraordinary reserve	Dividend equalization reserve	Reserve for purchase of treasury stock	Merger surplus reserve	Undistributable reserve for canc. of treas. stock	Net income (loss) for the year	Total
100,923	45,151	175,406	2,458	379,903	93,090	25,152	103,917	2,420,862
							0	
		22,683					(81,234)	(81,234)
							(22,683)	0
	1,033			(1,033)				0
				(378,870)				0
				400,000				0
	10,881			(10,881)				0
	(15,378)							0
		4						4
							(516,392)	(516,392)
0	(3,464)	22,687	0	9,216	0	0	(620,309)	(597,622)
100,923	41,687	198,093	2,458	389,119	93,090	25,152	(516,392)	1,823,240

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEAR 2003

€ in thousands	Capital stock	Additional paid-in capital	Revaluation reserves	Special gain reserve (Law 169/83)
Balance at December 31, 2002	441,738	800,644	246,480	248
Extraordinary stockholders' meeting on April 23, 2003 Capital stock increase in exchange for contribution by the parent company IFI of investments in Fiat ord. shares, Fiat ord. share warrants 2007, Juventus shares, Soiem shares and SANPAOLO IMI shares, with the issue of 167,450,949 ord. shares and 119,635,991 savings shares	287,087	507,460		
Ordinary stockholders' meeting on May 14, 2003 - absorption of 2002 losses - Adjustment of Legal reserve		(420,596) (44,842)		(248)
Revocation of resolution to purchase treasury stock of May 27, 2002 Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and 2357-ter of the Italian Civil Code		389,119 (300,000)		
Conversion of 266,335,609 savings shares with the issue of 226,385,269 ordinary shares and consequent cancellation of 39,950,340 savings shares (conversion ratio 20:17)	(39,950)			
Board of Directors' meeting on June 27, 2003 Capital stock increase with issue of 386,321,490 ordinary shares of par value € 1 and additional paid-in capital of € 0.3	386,321	115,896		
Sale of 4,432,500 unexercised rights		1,773		
Changes deriving from purchase of 700,000 IFIL ordinary shares				
Statute-barred dividends				
Net income 2003				
Changes in 2003	633,458	248,810	0	(248)
Balance at December 31, 2003	1,075,196	1,049,454	246,480	0

Legal reserve	Treasury stock valuation reserve	Extraordinary reserve	Dividend equalization reserve	Reserve for purchase of treasury stock	Merger surplus reserve	Undistributable reserve for canc. of treas. stock	Net income (loss) for the year	Total
100,923	41,687	198,093	2,458	389,119	93,090	25,152	(516,392)	1,823,240
								794,547
44,842			(2,458)		(93,090)		516,392	0
				(389,119)				0
				300,000				0
						39,950		0
								502,217
								1,773
	1,692			(1,692)				0
		4						4
							72,671	72,671
44,842	1,692	4	(2,458)	(90,811)	(93,090)	39,950	589,063	1,371,212
145,765	43,379	198,097	0	298,308	0	65,102	72,671	3,194,452

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEAR 2004

€ in thousands	Capital stock	Additional paid-in capital	Revaluation reserves
Balance at December 31, 2003	1,075,196	1,049,454	246,480
Changes deriving from purchase of 1,850,000 IFIL ordinary shares			
Changes deriving from sale of 1,850,000 IFIL ordinary shares		5,376	
Ordinary stockholders' meeting on June 22, 2004			
- Appropriation of 2003 net income			
. Dividends to stockholders			
. Extraordinary reserve			
. Adjustment of Legal reserve			
Revocation of resolution to purchase treasury stock of May 14, 2003 the Italian Civil Code		293,045 (300,000)	
Adjustment of carrying value of 532,000 IFIL ordinary shares recorded in current assets for grants of stock options		73	
Changes deriving from purchase of 1,338,324 IFIL ordinary shares			
Statute-barred dividends			
Net income 2004			
Changes in 2004	0	(1,506)	0
Balance at December 31, 2004	1,075,196	1,047,948	246,480

Legal reserve	Treasury stock valuation reserve	Extraordinary reserve	Reserve for purchase of treasury stock	Undistributable reserve for canc. of treas. stock	Net income (loss) for the year	Total
145,765	43,379	198,097	298,308	65,102	72,671	3,194,452
	5,264		(5,264)			0
	(5,376)					0
					(69,795)	(69,795)
		2,876			(2,876)	0
69,274		(69,274)				0
			(293,045)			0
			300,000			0
	(73)					0
	4,000		(4,000)			0
						64
					80,151	80,151
69,274	3,815	(66,334)	(2,309)	0	7,480	10,420
215,039	47,194	131,763	295,999	65,102	80,151	3,204,872

STATEMENT OF CASH FLOWS FOR THE YEAR 2004 AND 2003

€ in thousands	2004	2003
A) Cash at January 1	160	84
B) Cash flows provided by (used in) operating activities		
Net income	80,151	72,671
Depreciation and amortization	2,247	2,256
(Gains) Losses on disposals of:		
financial fixed assets	(521)	(22,951)
current assets	(16)	0
Dividends receivable	(253,553)	0
(Revaluations) Writedowns of financial fixed assets	185,612	0
Collection of receivables from the tax authorities	13,663	0
Sale of receivables from the tax authorities	3,736	250
Net change in employee severance indemnities	448	(304)
Change in working capital:		
trade receivables	(195)	(57)
trade payables	(529)	490
reserve for income taxes and other reserves	(5,439)	(8,127)
other assets and liabilities	(110)	(17,027)
	25,494	27,201
C) Cash flows provided by (used in) investment activities		
Investments in fixed assets:		
property, plant and equipment	0	(2)
intangible fixed assets	(11)	(11,167)
financial fixed assets	(152)	(756,517)
Sale of financial fixed assets	582	32,000
Purchase of treasury stock recorded in current assets	(9,265)	(1,692)
Sale of treasury stock recorded in current assets	5,391	0
Reimbursement of capital by subsidiary	9,125	0
Reimbursement of additional paid-in capital by subsidiary	95,747	254,439
	101,417	(482,939)
D) Cash flows provided by (used in) financial activities		
Repayment of borrowings	0	(309,874)
(Repayment) Increase in borrowings to/from subsidiary	(8,556)	8,556
Bond issue 2002/2005	0	55,000
Bond issue 2003/2006	0	100,000
Net change in borrowings from banks	(48,332)	98,336
	(56,888)	(47,982)
E) Cash flows provided by (used in) net equity movements		
Capital stock increases	0	503,991
Dividends paid	(69,795)	0
Other changes	(274)	(195)
	(70,069)	503,796
F) Net change in cash	(46)	76
G) Cash at December 31	114	160

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	273,943,332	55,089,962	218,853,370
associated companies	0	976,563	(976,563)
other companies	27,444,690	32,986,406	(5,541,716)
Gains on sale of investment in subsidiary	521,280	0	521,280
Gains on sale of investment in associated company	0	22,951,022	(22,951,022)
	301,909,302	112,003,953	189,905,349
Other financial income	773,480	1,353,911	(580,431)
Interest and other financial expenses from			
subsidiaries	(134,100)	(248,190)	114,090
parent company	0	(74,067)	74,067
other companies	(26,783,114)	(29,632,855)	2,849,741
	(26,917,214)	(29,955,112)	3,037,898
Foreign exchange gains and losses	(2,809)	(225)	(2,584)
Writedowns of financial fixed assets	(185,539,410)	0	(185,539,410)
Writedowns of securities held in current assets	(72,742)	0	(72,742)
	(185,612,152)	0	(185,612,152)
TOTAL FINANCIAL INCOME AND EXPENSES	90,150,607	83,402,527	6,748,080
VALUE OF PRODUCTION			
Revenues from services	13,519	1,148,367	(1,134,848)
Other income and revenues	1,497,855	262,404	1,235,451
TOTAL VALUE OF PRODUCTION	1,511,374	1,410,771	100,603
OTHER OPERATING COSTS			
Raw materials, supplies and merchandise	(122,388)	(92,682)	(29,706)
Services	(5,280,465)	(6,331,771)	1,051,306
Leases and rentals	(1,061,215)	(977,288)	(83,927)
Personnel			
Salaries and wages	(3,992,494)	(3,359,352)	(633,142)
Social security contributions	(1,362,957)	(994,005)	(368,952)
Employee severance indemnities	(454,901)	(373,363)	(81,538)
Other costs	(997,570)	(158,148)	(839,422)
	(6,807,922)	(4,884,868)	(1,923,054)
Amortization, depreciation and writedowns			
Amortization of intangible assets	(2,237,151)	(2,233,450)	(3,701)
Depreciation of property, plant and equipment	(10,223)	(22,977)	12,754
	(2,247,374)	(2,256,427)	9,053
Other operating costs	(1,273,575)	(2,509,478)	1,235,903
TOTAL OTHER OPERATING COSTS	(16,792,939)	(17,052,514)	259,575
INCOME BEFORE EXTRAORDINARY INCOME AND EXPENSES AND TAXES	74,869,042	67,760,784	7,108,258
EXTRAORDINARY INCOME AND EXPENSES			
Income	808,962	30,297	778,665
Expenses	(466,647)	(357,672)	(108,975)
TOTAL EXTRAORDINARY INCOME AND EXPENSES	342,315	(327,375)	669,690
INCOME BEFORE TAXES	75,211,357	67,433,409	7,777,948
INCOME TAXES, CURRENT AND DEFERRED	4,939,497	5,237,685	(298,188)
NET INCOME	80,150,854	72,671,094	7,479,760

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, called for the approval of the annual financial statements, 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. In keeping with the above law, and in drawing up this report, the Board has also complied with art. 2429, paragraph 3 of the Italian Civil Code.

During 2004, the Board of Statutory Auditors performed its work in accordance with the laws in force, participating in the meetings of the Board of Directors (seven meetings), the Executive Committee (two meetings), the Audit Committee (three meetings) and the Compensation and Nominating Committee (two meetings). During 2004, the Board of Statutory Auditors performed 15 tests and held 15 meetings and attended the Stockholders' Meetings of the Company.

The Directors and the Delegated Bodies kept us adequately and periodically informed about the activities carried out and about the significant economic, financial and equity transactions entered into 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, were not expressly imprudent and/or risky or of such a nature as to compromise the integrity of the Company's assets, nor in potential conflict of interest and were based upon the principles of good administration.

The 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 information regarding compliance with the principles of diligent administrative management.

The internal control system was the subject of meetings held with those responsible for the internal control system and representatives of the Independent Auditors for the areas of their competence. Our evaluation regarding the adequacy of the system of internal controls is positive.

Furthermore, we consider that the administrative accounting system, insofar as ascertained and checked by us, is in a position to record and correctly represent operating events and that the directives imposed on the subsidiaries as per art. 114, paragraph 2, of Legislative Decree No. 58/98 are adequate.

Finally, we believe that - also as described in the "Annual Report on Corporate Governance" - IFIL Investments S.p.A. has adopted working rules and principles in line with the Code of Self-discipline of listed companies circulated at the end of 1999 by Borsa Italiana S.p.A. with the additional revisions of July 2002 and the document issued by Monte Titoli and Assonime in February 2004.

The Board of Directors has sent to us, in accordance with the law, the report relating to the first half of the year (first-half 2004 report), making it public within the time-frame and according to the procedures established by Consob. Furthermore, the Board of Statutory Auditors has also taken note of the quarterly reports at March 31 and September 30, 2004.

The Company has availed itself of the exemption from the preparation and publication of the second and fourth quarter reports of 2004 having provided for the preparation and publication of the six-month report at June 30, 2004, the draft annual statutory financial statements and the consolidated financial statements for the year ended December 31, 2004 within the time-frame set by Consob.

The 2004 annual statutory financial statements prepared by the Directors show a net income for the year of € 80,150,854.

The notes to the financial statements and the Report on Operations adequately illustrate the information required by law.

The notes to the financial statements show that in the preparation of the financial statements there were no departures in accordance with the fourth paragraph of art. 2423 of the Italian Civil Code.

For the first time, the information requested by Legislative Decree No. 6 of January 17, 2003 (reform of the law on corporations and cooperatives) is presented, and as provided therein, the 2003 financial statements have been reclassified for purposes of agreement with the requirements of the new law.

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

Moreover, the Report on Operations comments, among other things, on:

- the major events during 2004;
- transactions with Group companies and related parties;

- significant subsequent events;
- the business outlook for the current year;
- the performance of the major Group companies.

The Report on Operations also presents a comprehensive commentary on 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).

In reference to the provisions of Legislative Decree No. 231/2001 with regard to the administrative responsibility of corporations, the "Annual Report on Corporate Governance" adequately explains, among other things, the work carried out in arriving at the Company's adoption of the Organization, Management and Control Model provided by law and, at the same time, the appointment of the Supervisory Panel (Board of Directors' Meeting of May 13, 2004) which has responsibility for monitoring the functioning and the observance of this same Model and its updating. The Board of Statutory Auditors further states that, to the best of its knowledge:

- during 2004 no atypical and/or unusual transactions occurred;
- transactions with Group companies and related parties are adequately represented, with the effects on the balance sheet and statement of operations, in the notes to the financial statements and in the Report on Operations and are considered congruent and responsive to the interests of the Company;
- the Independent Auditors, Deloitte & Touche S.p.A., did not bring to its attention during the year relevant aspects and/or facts considered by them to be censurable and, in their report dated April 7, 2005 did not report any qualifications or other matters of interest;
- the Directors also provided adequate disclosure on the action brought by the stockholder K Capital against the resolution to increase IFIL capital stock passed by the Extraordinary Stockholders' Meeting on April 23, 2003.

In 2004, the Independent Auditors, Deloitte & Touche S.p.A., besides the appointment for the audit of the annual statutory financial statements and consolidated financial statements and the limited scope audit of the six-month report – received assignments for compensation totaling € 91,000 relating to the following:

- assistance activities during the phases for (a) the analysis of the impact of the adoption of International Financial Reporting Standards and (b) the plan for the process of conversion to these Standards by IFIL Investments S.p.A. and the subsidiaries in the "Holdings System", for a fee of € 80,000;
- verification relative to the confirmation of the amount of the Financial Ratio, called for by the Information Memoranda dated December 17, 2002 and January 31, 2003, regarding the issue, by IFIL, of € 145 million and € 55 million of "Floating Rate Notes due 2005", for a fee of € 6,000;
- verification relative to the confirmation of the amount of the Financial Ratio, called for by the Information Memorandum dated December 12, 2003, relative to the issue, by IFIL, of € 100 million of "Floating Rate Notes due 2006", for a fee of € 5,000.

No assignments have been conferred to entities connected with Deloitte & Touche S.p.A..

During the course of the supervisory activities described above – and also based on the results of the meetings held with the Independent Auditors in accordance with art. 150 of Legislative Decree No. 58/1998 – no irregularities and/or omissions and/or censurable matters, or, in any case, matters of such significance as to require their notification to the Controlling Bodies and/or their mention in this report, came to light.

Finally, the Board of Statutory Auditors acknowledge that the Independent Auditors, Deloitte & Touche S.p.A. – which operated in accordance with and for the effects of art. 155, and subsequent articles, of Legislative Decree No. 58/98 – issued their report on the annual statutory financial statements on April 7, 2005, in accordance with art. 156 of Legislative Decree No. 58/98, expressing an unqualified opinion.

That being said, the Board of Statutory Auditors invites you to approve the annual statutory financial statements for the year ended December 31, 2004, together with the motion of the Board of Directors relating to the appropriation of the net income for the year.

This being the expiry of the term of office of the Board of Statutory Auditors, we invite you to adopt the necessary resolutions for the election of the new Board, and take this opportunity to thank you for the trust accorded us.

Turin, April 15, 2005

The Board of Statutory Auditors

Piero Locatelli

Cesare Ferrero

Natale Ignazio Girolamo

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2004

Dear Stockholders,

The consolidated financial statements of the IFIL Group for the year ended December 31, 2004, consisting of the balance sheet, the statement of operations and the notes to the financial statements, show a net income for the year of € 119 million and stockholders' equity of € 3,917 million. The consolidated financial statements were submitted to us together with the Report on Operations and were prepared in accordance with the format required by Legislative Decree No. 127 of April 9, 1991.

The tests carried out by Deloitte & Touche S.p.A., the Independent Auditors charged with the audit of the financial statements, have led to the assertion that the values expressed in the financial statements agree with the accounting records of the Parent Company, IFIL Investments S.p.A., the statutory and consolidated financial statements of the subsidiaries and the relative information formally communicated by the latter.

Such financial statements, transmitted 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 subsidiaries, 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 Board of Statutory Auditors took note of the report of the Independent Auditors, Deloitte & Touche S.p.A., issued on April 7, 2005, in accordance with art. 156 of Legislative Decree No. 58 of February 24, 1998, expressing an unqualified opinion.

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 15, 2005

The Board of Statutory Auditors

Piero Locatelli

Cesare Ferrero

Natale Ignazio Girolamo

**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
IFIL INVESTMENTS S.p.A.**

1. We have audited the financial statements of IFIL Investments S.p.A. (formerly IFIL – Finanziaria di Partecipazioni S.p.A.) as of and for the year ended December 31, 2004. These financial statements are the responsibility of the Directors of IFIL Investments 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 13, 2004.

3. In our opinion, the financial statements of IFIL Investments 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 7, 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
IFIL INVESTMENTS S.p.A.**

1. We have audited the consolidated financial statements of IFIL Investments S.p.A. (formerly IFIL – Finanziaria di Partecipazioni S.p.A.) and subsidiaries (the IFIL Group) as of and for the year ended December 31, 2004. These consolidated financial statements are the responsibility of the Directors of IFIL Investments 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 13, 2004.

3. In our opinion, the consolidated financial statements of the IFIL 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 7, 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

IFIL 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 IFIL 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
IFIL INVESTMENTS S.p.A.	ITALY	1,075,195,737	EUR				
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.

INVESTMENTS HELD THROUGH FIAT S.p.A.: (27.62% of Group consolidation)

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 Dealer Financing SA	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.	Lijnden	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 Handlarservice GmbH	Heilbronn	Germany	5,100,000	EUR	90,00	Fiat Automobil AG	100,000	
Fiat India Automobiles Private Limited	Mumbai	India	18,780,741,500	INR	90,00	Fiat Auto S.p.A.	100,000	
Fiat India Private Ltd.	Mumbai	India	4,477,502,700	INR	89,78	Fiat India Automobiles Private Limited	79,081	80,313
						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 FIAT S.p.A.: (27.62% of Group consolidation)

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	19,749,554	EUR	90.00	B.D.C. S.A.	100.000	
Sata-Società Automobilistica 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 Infomobilità 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 FIAT S.p.A.: (27.62% of Group consolidation)

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. Case Brazil Holdings Inc. Case Equipment International Corporation	87.880 10.610 1.510	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	84.54	CNH International S.A.	99.999	
CNH Österreich 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. Fiat Polska Sp. z o.o.	99.995 0.005	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	84.54	CNH International S.A. CNH Italia s.p.a.	99.980 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 Negocios 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. CNH Global N.V.	59.625 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. CNH International S.A.	99.000 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. Case Credit Ltd.	99.000 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 - Hille 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	Görlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	
C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	Saint-Alban-Leyse	France	1,870,169	EUR	99.96	Iveco Eurofire (Holding) GmbH	99.961	
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 Investitions GmbH Iveco S.p.A.	90.000 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. Iveco S.p.A.	33.333 33.333	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH Iveco S.p.A.	95.000 5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	350,000,000	HUF	68.15	Irisbus Holding S.L.	68.146	
Ikarus Trade Kft.	Budapest	Hungary	423,220,000	HUF	100.00	Ikarusbus Jamgyarto RT Irisbus Holding S.L.	99.976 0.024	
Ikarusbus Jamgyarto RT	Szekesfehervar	Hungary	974,268,827	HUF	100.00	Irisbus Italia S.p.A. Irisbus France S.A.	99.998 0.002	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V. Iveco Nederland B.V.	95.000 5.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00	Irisbus Holding S.L.	100.000	

CONTINUES INVESTMENTS HELD THROUGH FIAT S.p.A.: (27.62% of Group consolidation)

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	Hensschiken	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.	Haunconcourt	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 Sud-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 FIAT S.p.A.: (27.62% of Group consolidation)

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	UAH	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	Irisbus 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	Irisbus 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.	Rjassan	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.	Linares 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 Yorcka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorcka de Mexico S.r.l. de CV Industrial Yorcka de Tepozotlan S.A. de C.V.	98.000 2.000	
Industrial Yorcka de Tepozotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorcka de Mexico S.r.l. de CV Industrial Yorcka de Mexico S.A. de C.V.	99.000 1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepozotlan	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

CONTINUES INVESTMENTS HELD THROUGH FIAT S.p.A.: (27.62% of Group consolidation)

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 (WUHL) 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.	99.000 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 Infotecom 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 Systemes 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	Ei 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	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	112,794,611	BRL	100.00	Comau S.p.A. Fiat do Brasil S.A.	99.999 0.001	
Comau Estil Unt.	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 FIAT S.p.A.: (27.62% of Group consolidation)

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	Romenia	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 Endustriyel Taahhut A.S.	Istanbul	Turkey	100,000,000,000	TRL	50.98	Geico S.p.A.	99.959	
Geico S.p.A.	Ciniseo 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 FIAT S.p.A.: (27.62% of Group consolidation)

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	100.000 100.000	
Individual S.p.A.	Milan	Italy	105,000	EUR	100.00	Ingest Facility S.p.A.	99.800	
Ingest Facility Polska Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Fiat Polska Sp. z o.o.	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 Celną 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 FIAT S.p.A.: (27.62% of Group consolidation)

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 Automotive Lighting Rear Lamps Italia S.p.A.	51.000 24.500	
Consorzio "Sirio" per la Sicurezza Industriale	Turin	Italy	56,364	EUR	66.24	Fiat Auto S.p.A. Iveco S.p.A. Magneti Marelli Powertrain S.p.A. Fiat S.p.A. Comau S.p.A. Ferrari S.p.A. Teksid S.p.A. Irisbus Italia S.p.A. Magneti Marelli Sistemi Elettronici S.p.A. Fiat Gesco S.p.A. Sistemi Sospensioni S.p.A. Fiat Kobelco Construction Machinery S.p.A. C.R.F. Società Consortile per Azioni Fiat Servizi per l'Industria S.c.p.a. Fiat Ge.Va. S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Fidis S.p.A. Magneti Marelli Sistemi di Scarico S.p.A. CNH Italia s.p.a. Automotive Lighting Italia S.p.A. Editrice La Stampa S.p.A. Elasis-Società Consortile per Azioni Ingest Facility S.p.A. Fiat Partecipazioni S.p.A. H.R. Services S.p.A. Fiat Information & Communication Services società consortile per azioni Astra Veicoli Industriali S.p.A. Atlanet S.p.A. Magneti Marelli Holding S.p.A. Savarent Società per Azioni Servizi e Attività Doganali per l'Industria S.p.A. Fiat-Revisione Interna S.c.r.l. Iveco Mezzi Speciali S.p.A. Fiat Center Italia S.p.A. Isvor Knowledge System S.p.A. Consorzio Fiat Media Center Orione-Consorzio Industriale per la Sicurezza e la Vigilanza Business Solutions S.p.A. eSPIN S.p.A. Fast-Buyer S.p.A. Itedi-Italiana Edizioni S.p.A. Maserati S.p.A. Pharos S.r.l. Risk Management S.p.A. Sisport Fiat Società per Azioni-SF Fiat International S.p.A. Palazzo Grassi S.p.A. Automotive Lighting Rear Lamps Italia S.p.A. Lavorazione Plastica S.r.l. Delivery & Mail S.r.l. Easy Drive S.r.l. Global Value S.p.A. Iveco Finanziaria S.p.A.	36.978 9.692 1.661 1.594 1.588 1.545 1.404 1.314 1.221 1.168 1.163 1.133 1.129 1.064 0.948 0.947 0.711 0.498 0.494 0.488 0.488 0.487 0.432 0.373 0.219 0.213 0.213 0.213 0.213 0.121 0.121 0.089 0.089 0.082 0.082 0.078 0.078 0.078 0.075 0.075 0.075 0.075 0.045 0.045 0.044 0.044 0.039 0.039 0.039 0.039	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,400,000	EUR	93.81	Fiat Auto S.p.A. Iveco S.p.A. Magneti Marelli Holding S.p.A. CNH Italia s.p.a. Comau S.p.A. Teksid S.p.A. Fiat Partecipazioni S.p.A. Ferrari S.p.A.	40.000 20.000 20.000 5.000 5.000 5.000 4.000 1.000	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH FIAT S.p.A.: (27.62% of Group consolidation)

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 Partecipazioni S.p.A.	100.000							
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 Partecipazioni S.p.A.	100.000							
						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 FIAT S.p.A.: (27.62% of Group consolidation)

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. Fiat Auto Poland S.A. Automotive Lighting Polska Sp. z o.o. Magneti Marelli Exhaust Systems Polska Sp. z o.o. Magneti Marelli Poland S.A. Magneti Marelli Suspension Systems Poland Sp. z o.o. Teksid Iron Poland Sp. z o.o. Business Solutions Polska Sp. z o.o. CNH Polska Sp. z o.o. Comau Poland Sp. z o.o. Fidis Faktoring Polska Sp. z o.o. Fidis Finance Polska Sp. z o.o. Ingest Facility Polska Sp. z o.o. Sadi Polska-Agencja Ceina Sp. z o.o. Sirio Polska Sp. z o.o. Iveco Poland Ltd.	99.904 0.029 0.010 0.010 0.010 0.010 0.002 0.002 0.002 0.002 0.002 0.002 0.002 0.002 0.002 0.001	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	3,850,000	EUR	95.70	Fiat S.p.A. Fiat Auto S.p.A. Iveco S.p.A. H.R. Services S.p.A. Magneti Marelli Holding S.p.A. Business Solutions S.p.A. CNH Italia s.p.a. Fiat Partecipazioni S.p.A. Teksid S.p.A. Comau S.p.A. C.R.F. Società Consortile per Azioni Editrice La Stampa S.p.A.	36.468 33.532 6.000 4.500 4.000 3.000 3.000 3.000 2.000 1.500 1.500 1.500	
Fiat Servizi S.A.	Paradiso	Switzerland	100,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fiat United Kingdom Limited	London	United Kingdom	860,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	93.28	Fiat Auto S.p.A. Fiat Partecipazioni S.p.A. Fiat S.p.A. CNH Global N.V. Iveco S.p.A. Comau S.p.A. Ferrari S.p.A. Itedi-Italiana Edizioni S.p.A. Magneti Marelli Holding S.p.A. Teksid S.p.A. Business Solutions S.p.A. Fiat Ge.Va. S.p.A.	20.000 15.667 14.000 10.000 10.000 5.000 5.000 5.000 5.000 5.000 4.333 1.000	
IHF-Internazionale Holding Fiat S.A.	Paradiso	Switzerland	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. Fiat Auto S.p.A. Iveco S.p.A. CNH Italia s.p.a. Magneti Marelli Holding S.p.A. Comau S.p.A. Business Solutions S.p.A. Teksid S.p.A.	26.000 22.000 17.000 12.000 9.000 8.000 3.000 3.000	
La Stampa Europe SAS	Paris	France	18,600,000	EUR	100.00	Fiat France S.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	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. Fiat Partecipazioni S.p.A.	95.238 4.762	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Sisport Fiat Società per Azioni-SF	Turin	Italy	7,120,800	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH FIAT S.p.A.: (27.62% of Group consolidation)

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 Automobil 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 Automoveis S.A. - FIASA	100.000
Italcar SA	Casablanca	Morocco	4,000,000	MAD	90.00	Inmap 2000 Espana S.L.	100.000
Leasys S.p.A.	Fiumicino	Italy	319,200,000	EUR	45.90	Fidis Renting Italia S.p.A.	51.000
Multipoint Sevilla S.A.	Siviglia	Spain	2,336,596	EUR	90.00	Inmap 2000 Espana S.L.	100.000
Sinio 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	Nizhnjy 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	Krasnig Oktjabr 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 Mame	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 adde:	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 adde:	80.000
						Fiat Auto S.p.A.	20.000
Luganova 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 FIAT S.p.A.: (27.62% of Group consolidation)

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
Fermec 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.I. 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 FIAT S.p.A.: (27.62% of Group consolidation)

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 FIAT S.p.A.: (27.62% of Group consolidation)

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.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 Transporti 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.	Zhijiang	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 Ferrar S.p.A.	40.000	
Components							
Mako Elektrik Sanay Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000,000,000	TRL	43.00 Magneti Marelli Holding S.p.A.	43.000	
Production Systems							
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 Solucoes 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	10.189
Rubattino 87 S.r.l.	Milan	Italy	10,845,400	EUR	30.59 Fiat Partecipazioni S.p.A.	30.589	

CONTINUES INVESTMENTS HELD THROUGH FIAT S.p.A.: (27.62% of Group consolidation)

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 Tiaret SpA	Wilaya de Tiaret	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 Handlerservice 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 Véhicules 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.	Abidjan	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 Holding S.p.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
Niugarán.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
Alomena 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 Isvor Knowledge System S.p.A.	35.000 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. Fiat Auto S.p.A. Iveco S.p.A.	10.672 10.672 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 Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000
Giraglia Immobiliare S.p.A.	Milan	Italy	3.500.000	EUR	28.24	Fiat Partecipazioni S.p.A.	28.240
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. CNH Italia s.p.a.	16.364 12.273
Presse Europe Régions S.A.	Paris	France	62.087.232	EUR	25.28	La Stampa Europe SAS Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.280 25.000
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 FIAT S.p.A.: (27.62% of Group consolidation)

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	Atlant 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								
Ascai 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	

INVESTMENTS HELD THROUGH WORMS & Cie S.A.: (52.96% of Group consolidation)

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	ROMANIA	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 WORMS & Cie S.A.: (52.96% of Group consolidation)

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 ARJO WIGGINS UK HOLDINGS LIMITED	100.000 0.000	100.000 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	92,260,100.00	GBP	100.00	IDEM LIMITED	100.000	100.000
ARJO WIGGINS LIMITADA	BRAZIL	25,205,145.00	BRL	100.00	ARJO WIGGINS PARTICIPACOES LTDA	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					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
	PEOPLE'S REP. OF CHINA	6,350,000.00	USD	63.15	ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	63.150	63.150
AWA QINGDAO PAPER LIMITED	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 WORMS & Cie S.A.: (52.96% of Group consolidation)

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	3,000.00	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. (*)	97.958 1.972	97.958 1.972
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 EUROL	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
MUHLBACH 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	2,026,000.00	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	15,350,375,000,000.00	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 WORMS & Cie S.A.: (52.96% of Group consolidation)

Name	Country	Capital Stock at 12/31/2004	Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
VELLIGHEIDSPAPIERFABRIEK UGCHELEN	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 WORMS & Cie S.A.: (52.96% of Group consolidation)

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
SHRIRO PACIFIC PAPER (SINGAPORE) PTE LTD	SINGAPORE	10,000,000.00	SGD	40.00 ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	40.000
SHRIRO PAPER (MALAYSIA) SDN. BHD.	MALAYSIA	4,700,000.00	MYR	40.00 ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	40.000
Financial services						
IFBANQUE 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

INVESTMENTS HELD THROUGH ALPITOUR S.p.A.: (100% of Group consolidation)

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 UNIPESSOAL, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, 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 UNIPESSOAL, 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 UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, 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 UNIPESSOAL LDA	PORTUGAL	5,000	EUR	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, 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 UNIPESSOAL, 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 UNIPESSOAL, 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 UNIPESSOAL 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 UNIPESSOAL, 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 UNIPESSOAL, LDA	97.000	97.000

CONTINUES INVESTMENTS HELD THROUGH ALPITOUR S.p.A.: (100% of Group consolidation)

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 ALPITOUR S.p.A.: (100% of Group consolidation)

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 UNIPESSOAL, 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 UNIPESSOAL, 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

