

IFI
Istituto Finanziario Industriale

Annual Report 2006

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This is an English translation of the Italian original document “Relazioni e Bilanci 2006” approved by the IFI S.p.A. board of directors on March 30, 2007, which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and for complete information about IFI S.p.A. and the Group, reference should be made to the full original report in Italian containing the Directors' Report on Operations and the Separate and Consolidated Financial Statements also available on the corporate website: <http://www.gruppoifi.com>

Board of Directors

<i>Chairman</i>	John Elkann ^(a)
<i>Vice Chairman</i>	Pio Teodorani-Fabbri
<i>Chief Executive Officer and General Manager</i>	Virgilio Marrone
<i>Directors</i>	Carlo Acutis ^(b) Andrea Agnelli Tiberto Brandolini d'Adda Oddone Camerana Luca Ferrero Ventimiglia Gianluigi Gabetti ^(c) Franzo Grande Stevens Francesco Marini Clarelli Andrea Nasi Lupo Rattazzi
<i>Secretary to the Board</i>	Pierluigi Bernasconi

^(a) From April 17, 2007.

^(b) Independent director.

^(c) Chairman until April 17, 2007.

The composition of the board of directors is updated according to the resolutions passed on April 17, 2007. It should be noted that the Turin Court of Appeals has suspended the effectiveness of the additional administrative sanctions imposed by Consob on Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone.

Board of Statutory Auditors

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

Independent Auditors

Deloitte & Touche S.p.A.

Expiry of the terms of office

The terms of office of the board of directors and the board of statutory auditors, elected by the stockholders' meeting held on June 25, 2006, will expire concurrently with the stockholders' meeting that will be held to approve the statutory financial statements for the year ending December 31, 2008. The appointment of the independent auditors will expire concurrently with the stockholders' meeting that will be held to approve the financial statements for the year ending December 31, 2011.

LETTER TO THE STOCKHOLDERS

During 2006, the attention of economic operators moved permanently from the Atlantic Ocean to the Pacific Ocean. In fact, prior to that, hopes of a recovery or fears of potential economic crises were always focused on the shores of the Atlantic. Attention focused on the decoupling of the European economy versus the United States economy, on the effects of a rise in interest rates or, conversely, of an easygoing monetary policy decided in Washington, on the trend of industrial growth in Frankfurt or Paris, or on the possibility that Europe might replace the United States as the driver behind world growth.

Other countries played a decidedly secondary role. Despite the fact that Japan had phenomenal production capacity and a presence in the technological sectors with higher added value, in recent years, it has never succeeded in imposing itself as a key player in world growth. Rather it has benefited from phases of growth in other parts of the world and has suffered in times of slowdown. Even today, its political and financial weight is markedly inferior to its economic capacity. In this context, even China was no exception. Of course, the sheer size of the country, its massive population and its military might have always aroused the curiosity of the markets but, for a long time, the role that the country might play in future years was underestimated. There were too many doubts about the ability of the Chinese authorities to undertake the reforms needed to stimulate the local economy in a way that would make it competitive with international markets.

Today, even the most skeptical commentators acknowledge that China plays a fundamental role in the world economy, more than the albeit tumultuous growth of its GDP can justify from the mere standpoint of quantity. The attention of the world has therefore shifted to the Pacific Ocean in an effort to understand the relations existing between the U.S.A. and China, and to what extent the decisions made by one may influence the economy of the other. In this specific case, not only very important commercial relations are involved, but also a complex inter-dependence between one country, China, which has not only succeeded in producing what the largest world market wants cheaply but has also financed the consumption of that country, contributing to a large part of the national debt. This phenomenon has undoubtedly helped to ensure the growth of the world economy in recent years, but it has now reached extremely important and possibly critical levels. Recent estimates suggest that Chinese reserves denominated in the American currency alone vastly exceed \$ 1,000 billion.

The enormous wealth accumulated by China has enabled it to become not only a country which attracts investors but, in the space of a few years, an international investor of the first order with enormous resources to allocate to the most advanced sectors.

It is therefore vital that we endeavor to understand China, its internal problems and its contradictions better, since, in the future, decisions made in that country will have a decisive impact on the world equilibrium and on the way economies develop. It is going to be vital to observe the transition to a model of socialist capitalism which combines the demands of a modern economy based on ownership and profit with the principles inherited from its previous experience, which are still deeply rooted in rural areas. The challenge posed by China will probably lead to the development of a true middle class which will make it possible to broaden the consumer base and enable China to be less dependent on the propensity of Americans and Europeans for consumption, acting as a driver of world growth and allowing the macro-economic imbalances which are so obvious today to be gradually reduced.

If we turn our attention to the United States, in the second half of the year, there was a gradual and, from many standpoints, salutary slowdown in economic growth. 2006 ended with an increase in GDP of 3% on an annual basis, but with a trend in the last two quarters which does not exceed 2%. The trend of the economy benefited greatly from household consumption, sustained by the positive state of the labor market and the lower cost of energy. The rate of unemployment never exceeded the level of 5% and, during the last quarter of the year, the price

of oil was often lower than the psychological threshold of \$ 60 a barrel.

Above all, the gradual slowdown in economic growth is associated with the downward trend of the residential real estate sector (it is estimated that the contribution to GDP of residential real estate investments in the last quarter of 2006 was equal to -1.16%, after the -1.20% of the preceding quarter) and it is highly probable that, in the near future, this slowdown will lead to a reduction in the number of jobs in the sector, sparking off a contraction of domestic consumption.

This is the consequence of the restrictive monetary policy implemented by the Federal Reserve with the aim of cooling economic growth. Ben Bernanke, who took over Alan Greenspan's job at the head of the FED in 2006, is anxious to avoid a situation where an excess of liquidity fueled by a low level in the cost of debt might cause an upturn in inflation and the formation of speculative bubbles in the real estate sector. The financial markets, which, by their very nature, try to anticipate macro-economic movements, seem to confirm expectations of a slowdown of the cycle. In fact, medium-term interest rates are at a lower level than the short-term interest rates imposed by the FED. We are facing a positive phenomenon which has been kindled by a rational economic policy, aimed at gradually reducing the imbalances which, unless they are controlled, might result in painful corrective measures in the long term.

In Europe, in 2006, economic growth was higher than expected, reaching almost 3%. The main economic authorities suggest that the prospects for 2007 are also favorable.

The performance of Germany was particularly significant, with a phase of growth the like of which had not been seen since 1990, and so sustained that it enabled the whole of the Old Continent to start to follow suit. Even the dreaded slowdown in consumption due to an increase in VAT to 19% now seems less worrying. Germany is reaping the fruits of a far-reaching, radical restructuring of its production system which, after an intensive phase of delocation to countries in Eastern Europe, has begun to hire at home. In 2006, the number of unemployed fell by 600,000, bringing the unemployment rate below 10% for the first time since 2002. During a phase in which the American economy is slowing down its rate of growth and competition from Asian countries is ever stronger, and not only in goods with low added value, for Europe, the countries of the former Communist block constitute a resource without precedent. Here again, they do not merely represent an opportunity in terms of the lower cost of labor, but have rapidly become a market outlet for European products. The entry of Romania and Bulgaria to the European Union should be regarded in this context: integration will involve significant efforts both on the part of the new member countries and the countries which already belong to the EU, but many believe that this expansion of the EU constitutes an opportunity for the whole of the Old Continent to develop further.

2006 also ended positively for Italy, which benefited from the favorable international economic context. The Italian GDP rose by 2%, exports increased by 8.8% and imports by 12.3%, while the unemployment rate dropped to around 6.5%.

According to ISTAT, Italian industrial production increased in all segments. The increases were very significant and in some cases even reached double-digit figures: in particular, the transport sector (+17.8%), driven by the recovery of Fiat, and the sector of leather goods and shoes (+11.2%), which reported a positive trend again after years of decline as a result of competition from emerging countries. The high-precision engineering and machine-tool sectors also performed well. Prospects for 2007 are also rosy, with an increase in orders at the end of 2006, confirmed in the data released at the end of February.

During the last few years, Italian industry has experienced a serious crisis in terms of being competitive and has suffered greatly from competition from countries which produce goods with low added value. It is fitting, therefore, to take advantage of the favorable economic situation to promote economic growth, by relaunching the traditional sectors of Italian products and penetrating new markets. Facing the challenge of an ever-more competitive, global market also means paying greater attention to training, research, and, more particularly, the structural reforms which Italy's economy needs.

With regard to the performance of IFI in 2006, the consolidated financial statements show a profit of € 221 million. In the separate financial statements, the profit reported by IFI S.p.A. grew to € 218 million.

The consolidated result of the IFI Group derives, to a large extent, from the profit reported by its subsidiary IFIL, which benefited from the excellent result of the Fiat Group and the positive performance of its other holdings.

With regard to the former, the success of internal reorganization measures and the enthusiastic reception of new models by the market enabled Fiat to achieve significant results in terms of an increased market share and higher profitability.

Moreover, with regard to the diversified portfolio of IFIL, some transactions deserve special mention, for example, the Public Exchange Offering with SGS shares promoted by Sequana Capital, the merger between Sanpaolo IMI and Banca Intesa, the acquisition of 9.43% of the current capital of Gruppo Banca Leonardo and the agreement for the acquisition of the control of the American company Cushman & Wakefield, the largest private held company operating in the field of real estate services.

Finally, another important event was the sale of the entire investment in the Exor Group to the same Exor Group, which generated a significant gain and made it possible to reduce the level of debt considerably.

During 2006 and in the first quarter of 2007, the company strengthened its investment in IFIL by acquiring about 27.4 million ordinary shares on the market for approximately € 151 million. Today, the company holds more than 66% of the ordinary capital stock of IFIL.

Before concluding, I would like to thank Gianluigi Gabetti, who was temporarily relieved of his post as chairman as a result of a measure issued by the controlling authority of the markets. Without going into the wisdom of a decision which proved to be crucial for the fate of Fiat, because it made it possible to create the conditions of stability needed for the relaunching process to succeed, on behalf of the companies in the Group, I would like to thank him for everything he has done for our Group throughout his long career, including the delicate situation of 2005. Confident that both the chairman and the CEO of our company have always operated with full respect for the law, we await the outcome of the appeal that has been filed against the above-mentioned measure and soon hope to see them resuming their highly responsible posts.

In the name of the board of directors I would like to thank our stockholders for the trust they have placed in us, the statutory auditors and independent auditors for their profound commitment, and the managers and all the employees of the company and the subsidiaries for their work.

John Elkann

IFI GROUP PROFILE

IFI – Istituto Finanziario Industriale S.p.A. (abbreviated in **IFI S.p.A.**) is a corporation organized under the laws of the Republic of Italy. The head office is located in Turin, Italy, Corso Matteotti 26.

The ordinary capital stock of the company is held entirely by **Giovanni Agnelli e C. S.p.A.**. IFI's preferred shares are listed on the Electronic Share Market (MTA) of the Italian stock exchange (Blue Chip segment).

The company's assets are represented by the controlling investment in IFIL Investments S.p.A., equal to 66.23% of ordinary capital stock.

IFIL Investments S.p.A. (abbreviated in **IFIL S.p.A.**), listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment), in which Giovanni Agnelli e C. S.p.A. also holds 3% of ordinary capital stock directly, is the investment company of the Group. It commands two distinctive areas of operations: the active management of the investment in Fiat S.p.A. and the dynamic management of the other holdings.

Fiat S.p.A., in which IFIL S.p.A. has a holding of more than 30% of ordinary and preferred capital stock, is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). Founded in 1899, for more than a century the Fiat Group has been operating in the automotive field, designing, manufacturing and selling automobiles (Fiat, Lancia, Alfa Romeo, Ferrari, Maserati and Fiat Light Commercial), agricultural and construction equipment (Case and New Holland), trucks and commercial vehicles, buses and special-purpose vehicles (Iveco, Irisbus, Astra and Magirus), components and production systems (Fiat Powertrain Technologies, Magneti Marelli, Teksid and Comau); it is also active in publishing and communications (Itedi). Other sectors also offer financial services to the sales networks and clientele in addition to rental services to customers.

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

Sequana Capital S.A. (48.88% holding by the subsidiary Ifil Investissements S.A.) is a French company listed on the Euronext market which in 2006 decided to focus its operations on the paper sector where it operates through:

- Arjowiggins S.A. (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper;
- Antalis S.A. (100% holding), the leading European group in the distribution of paper products for printing and writing.

SGS S.A. (13.74% holding by Ifil Investissements S.A.) is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with 48,000 employees and a network of more than 1,000 offices and laboratories throughout the world.

Intesa Sanpaolo S.p.A. (2.45% holding of ordinary capital stock by IFIL S.p.A.) is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). It is one of the most important banking groups in Europe and is the foremost bank in Italy with a market share of 20% on average in all segments of business (retail, corporate and wealth management). With its network of 5,500 branches, the group offers its services to 12 million customers. It also operates in 13 Central-East European countries and in the Mediterranean basin with 1,650 branches and 7.7 million customers in the retail and commercial banking sectors. It also has an international network specialized in corporate customer support covering 35 nations including the United States, Russia, China and India.

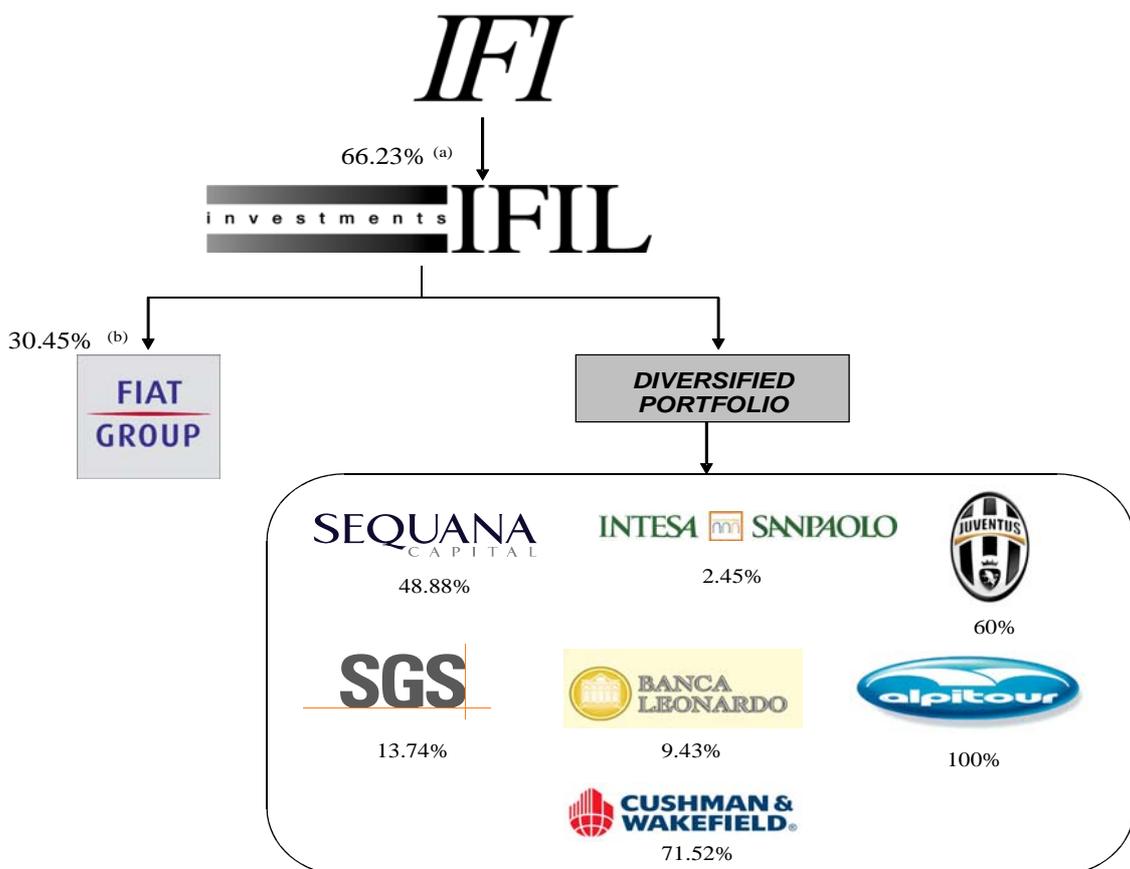
Gruppo Banca Leonardo S.p.A. (9.43% holding by Ifil Investissements S.A.) is an independent investment bank offering corporate finance advisory and asset management services, in addition to private equity services, under a joint venture with a leading European group.

Alpitour S.p.A. (100% holding by IFIL S.p.A.) is the leading group in the tourist sector in Italy. It operates with a vast range of integrated services (tour operating, hotel, aviation, distribution, incoming and Incentive e Grandi Eventi). In 2006, the Alpitour Group managed the accommodations of the Olympic Family at Turin Winter Olympics 2006.

Juventus Football Club S.p.A. (60% holding by IFIL S.p.A.) is listed on the Electronic Share Market of the Italian stock exchange (Star segment). Founded in 1897, it is one of the most important professional soccer teams in the world and boasts the largest number of fans in Italy and the highest number of total sports victories of all the Italian soccer teams, in both national and international competition.

At the end of March 2007, Ifil Investissements purchased control (71.52%) of the **Cushman & Wakefield (C&W) Group** which is the largest private company for real estate services. The C&W Group has its headquarters in New York, where it was founded in 1917, and now has 197 offices and 11,500 employees in 55 countries.

The following chart is updated to the end of March 2007 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFI also holds 4.99% of IFIL savings capital stock. Giovanni Agnelli e C. S.p.A. also holds 3% of IFIL ordinary capital stock.
 (b) IFIL also holds 30.09% of Fiat preferred capital stock.

KEY OPERATING AND FINANCIAL DATA

IFI GROUP

Consolidated figures			
€ in millions	2006	2005	Change
Profit attributable to the equity holders of the company	221	676	(455)
Equity attributable to the equity holders of the company	3,800	3,084	716

Earnings per share (€) ^(a)			
	2006	2005	Change
Profit attributable to the equity holders of the company			
- per ordinary share	1.38	4.26	(2.88)
- per preferred share	1.43	4.31	(2.88)
Equity attributable to the equity holders of the company	24.07	19.53	4.54

(a) Details of the calculation are presented in Note 22 to the consolidated financial statements.

IFI S.p.A.

€ in millions	2006	2005 ^(a)	Change
Profit	218	39	179
Equity	1,794	1,575	219
Net financial position	(98)	(278)	180

(a) Prepared in accordance with IFRS.

Dividends were not distributed in respect of the year ended December 31, 2005.

The board of directors of March 30, 2007 put forward a motion to the ordinary stockholders' meeting called to approve the separate financial statements for the year ended December 31, 2006 to appropriate the entire profit to reserves.

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares and 76,801,460 preferred shares with a par value of € 1.

IFI preferred stock is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment) and included in the MIBINDEX Index of mid-cap companies.

IFI preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code (articles 10 and 13 of the bylaws). The preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value € 1 (art. 27 of the bylaws).

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

Stockholders

IFI ordinary shares are held 100% by the parent, Giovanni Agnelli e C. S.a.p.az..

IFI S.p.A. has approximately 13,000 preferred stockholders.

At the end of March 2007, the ten major preferred stockholders, indicated below, represent in total 50.93% of the class of stock.

Stockholders	%	Shares
Amber Capital LP (Amber Master Fund - Cayman)	11.46	8,799,007
K Capital Partners LLC Group	11.33	8,699,670
Morgan Stanley Group	5.57	4,279,394
Crédit Suisse Securities (Europe) Limited	4.22	3,240,718
UBS AG	4.05	3,112,592
Ing Bank NV – London	3.80	2,920,315
Deutsche Bank AG	3.76	2,885,006
Kairos Fund Limited	2.34	1,796,700
The Trident European Fund-Dem	2.33	1,790,000
Banca d'Italia	2.07	1,593,625
	50.93	39,117,027

Source: Stockholders' Book in addition to communications received from Consob up to March 23, 2007.

Treasury stock

IFI S.p.A. currently holds 5,360,300 preferred shares of treasury stock (6.98% of the class of stock).

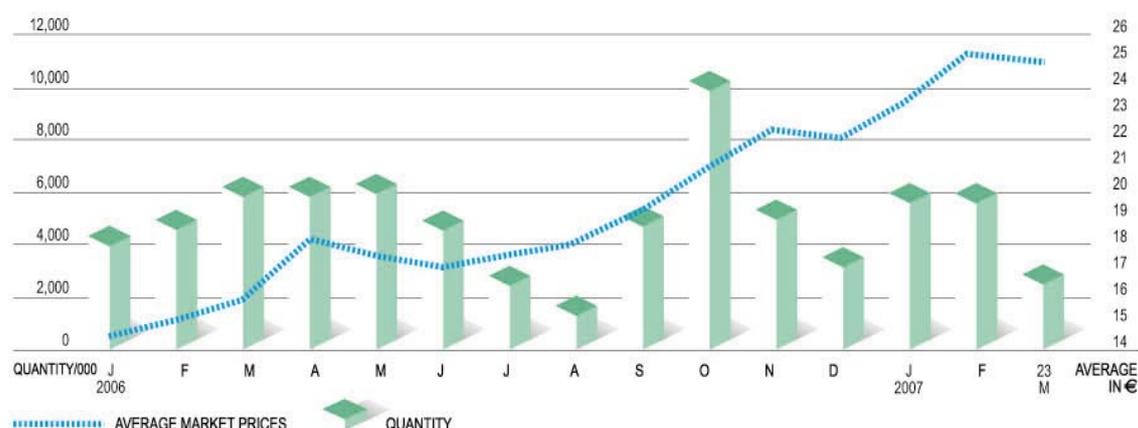
On May 25, 2006, the ordinary stockholders' meeting renewed, for 18 months, the authorization for the purchase of treasury stock for a maximum of 16 million IFI ordinary and/or preferred shares for a global amount of € 150 million.

Stock market performance

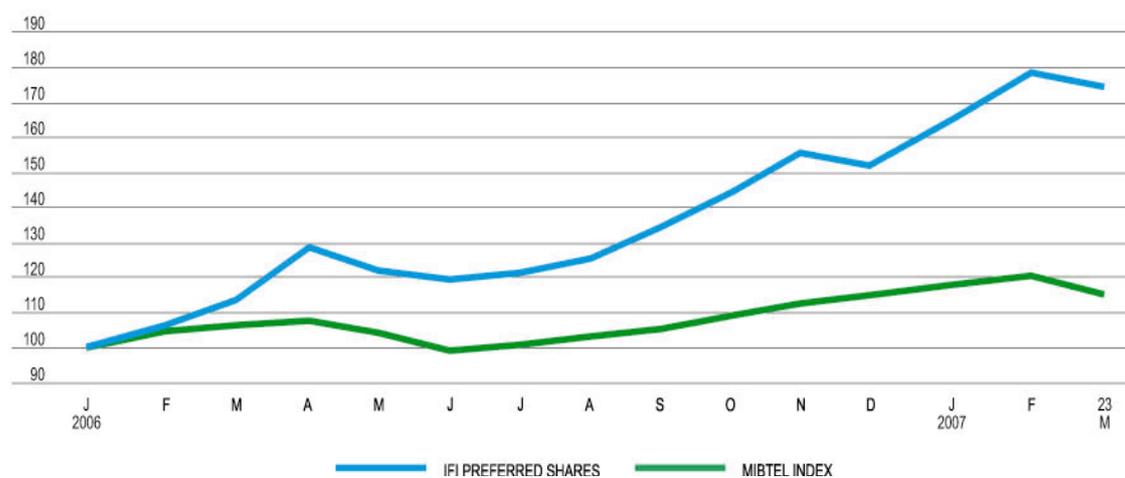
In 2006, the rise in IFI's preferred stock price, which was a feature of the previous year, continued and reached a price of € 22.9 by the end of the year.

On the whole, in 2006, performance was positive and the stock gained 64.8% versus 23.6% by the MIBTEL Index.

IFI preferred stock – Average market prices and volumes traded



Performance by IFI preferred stock against the Mibtel Index^(a)



(a) The line graph is based on the average monthly market prices.

IFI preferred shares – Market information	2007 ^(a)	2006	2005	2004
Market price per preferred share (€)				
- year-end	26.630	22.930	13.867	10.431
- maximum	26.630	23.250	14.525	10.431
- minimum	22.860	13.966	10.562	6.235
Trading volumes during the year (millions)	15.4	62.9	41.5	67.7
Value of trading volumes during the year (€ in millions)	383.3	1,161.0	500.9	556.8

(a) From January 1, to March 23, 2007.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

In 2006, IFI has continued activities surrounding relations with the financial community, the stockholders, the financial analysts and the institutional investors during the course of the year, also, where requested, through individual meetings.

Relations with the national and international media were backed by the corporate website www.gruppoifi.com in which information about the company, press releases, annual financial statements and quarterly reports and the first-half report is published on a timely basis.

In total, approximately 800 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed, and are also available on request.

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

External Relations and Media Relations

Tel. +39.011.5090318

Fax +39.011.5090386

e-mail: relazioni.esterne@gruppoifi.com

Institutional Investors and Financial Analysts Relations

Tel. +39.011.5090237

Fax +39.011.5090280

e-mail: relazioni.investitori@gruppoifi.com

Stocks and Bonds Service

Tel. +39.011.5090323

Tel. +39.011.5090205

Fax +39.011.5090321

e-mail: servizio.titoli@gruppoifi.com

MAJOR EVENTS IN 2006 AND IN THE FIRST QUARTER OF 2007

Sale of the investment in Exor Group

On April 7, 2006, following the resolution passed by the board of directors' meeting on March 31, 2006, IFI S.p.A. sold the entire investment in Exor Group (3,418,242 shares representing 29.3% of capital stock) to the same Exor Group. Given that the transaction was between related parties, Citigroup Global Markets Limited was appointed as advisor and checked the fairness of the sales price, equal to €206.8 million (€60.5 per share). The sale resulted in a gain of €104 million for IFI S.p.A. (a gain of €7.3 million on consolidation) and a significant reduction in debt.

On May 4, 2006, Exor Group canceled the treasury stock thus purchased, with a consequent reduction in capital stock.

Increase of the investment in IFIL

During 2006, IFI purchased on the market 14,708,160 IFIL ordinary shares, equal to 1.42% of the class of stock for an investment of €66.9 million. At December 31, 2006, IFI holds 675,200,000 IFIL ordinary shares, equal to 65.01% of the class of stock and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 62.92% of capital stock.

In the first quarter of 2007, IFI purchased on the market 12,705,000 IFIL ordinary shares (1.22% of the class of stock) for an investment of €84.6 million.

IFI currently holds 687,905,000 IFIL ordinary shares, equal to 66.23% of the class of stock and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 63.93% of capital stock.

Consob sanctionary measure

On February 13, 2007, the meeting of the board of directors of the company, which was presided over by the vice chairman (vicario) John Elkann, was notified of the Consob sanctionary measure against Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone with regard to the contents of the press releases dated August 24, 2005 released by IFIL Investments S.p.A. and Giovanni Agnelli e C. S.a.p.az..

The board of directors of IFI S.p.A., which did not take part owing to the reference to some of its members, expressed its full support to the above persons.

Additional information is provided in the comments on the operating performance of IFIL Investments S.p.A..

BUSINESS OUTLOOK

For the year 2007, IFI S.p.A. is expected to report a profit.

On the basis of the indications formulated by the IFIL Group for 2007, the IFI Group is expected to show a consolidated profit.

IFI S.p.A. – REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

Introduction

Following the coming into force of European Regulation 1606 dated July 19, 2002 and the national laws implementing that Regulation, pursuant to article 4 of Legislative Decree 38 dated February 28, 2005, starting from January 1, 2006 IFI S.p.A. has adopted International Financial Reporting Standards (“IFRS”) in the preparation of its separate financial statements (previously referred to as statutory financial statements).

Consequently, the figures in the separate financial statements for the year ended December 31, 2005, prepared in accordance with Italian accounting principles (Italian GAAP), have been adjusted and reclassified on the basis of IFRS for purposes of comparison with the year 2006.

Additional information on the adoption of IFRS and on the effects of their adoption on the published 2005 statutory financial statements are presented in Note 2 to the separate financial statements at December 31, 2006 and in the specific Appendix – Transition to International Financial Reporting Standards (IFRS) by IFI S.p.A..

The condensed income statement and balance sheet and comments on the most important items are presented below.

IFI S.p.A. - Condensed income statement

€ in millions	Note	2006	2005 (a)	Change
Dividends from investments	1	54.3	55.9	(1.6)
Gain on sale of investment	2	104.0	0.0	104.0
Impairment reversals on investments	3	73.5	0.0	73.5
Net financial expenses	4	(5.4)	(9.0)	3.6
Net general expenses		(4.9)	(4.8)	(0.1)
Other non-current expenses	5	0.0	(5.0)	5.0
Profit before income taxes		221.5	37.1	184.4
Income taxes	3	(3.9)	1.4	(5.3)
Profit		217.6	38.5	179.1

(a) Prepared in accordance with IFRS.

IFI S.p.A. - Condensed balance sheet

€ in millions	Note	12/31/2006		12/31/2005 (a)		Change
		Amount	%	Amount	%	
Investments	6	1,878.9	95.8	1,841.1	98.9	37.8
Other non-current financial assets	8	0.4	-	0.1	-	0.3
Current financial assets	8	63.2	3.2	2.1	0.1	61.1
Other current assets		19.4	1.0	19.1	1.0	0.3
Total Assets		1,961.9	100.0	1,862.4	100.0	99.5
Equity	7	1,793.7	91.4	1,574.5	84.5	219.2
Financial liabilities						
- current	8	36.1	1.8	119.9	6.4	(83.8)
- non-current	8	125.0	6.4	160.0	8.6	(35.0)
		161.1	8.2	279.9	15.0	(118.8)
Other current and non-current liabilities		7.1	0.4	8.0	0.5	(0.9)
Total Equity and liabilities		1,961.9	100.0	1,862.4	100.0	99.5

(a) Prepared in accordance with IFRS.

The year 2006 shows a profit of €217.6 million, €69.6 million of which is the net amount deriving from the impairment reversal on the investment held in IFIL (€73.5 million) and the accrual for the related deferred taxes (-€3.9 million) and, an additional amount of €104 million from the gain on the sale of the investment in Exor Group to the same Exor Group.

The result of the prior year, adjusted in accordance with IFRS, amounted to €38.5 million.

1. Dividends from investments

Dividends from investments in 2006 amount to €54.3 million and were collected almost entirely from IFIL.

In 2005, the amount of €55.9 million included the dividends collected from IFIL (€45.3 million) and from Exor Group (€10.6 million).

2. Gain on sale of investment

The gain on sale of investment amounts to €104 million and is due to the previously-mentioned sale of 29.3% of the capital of Exor Group to the same Exor Group at the price of €206.6 million, net of costs to sell of €0.2 million.

3. Impairment reversals on investments

Impairment reversals on investments refer exclusively to 138,426,775 IFIL ordinary shares which in 2002 had been written down on the basis of their stock market price. The impairment has been totally reversed up to the original cost of the purchase for an amount of €73.5 million.

Deferred taxes were recorded on this impairment reversal for €3.9 million (5.28% of the impairments deductible in the year 2002).

4. Net financial expenses

Net financial expenses of €5.4 million decreased by €3.6 million compared to 2005 (€9 million) due to a significant reduction in debt as a result of the sale of the investment in Exor Group.

5. Other non-current expenses

In 2005, the amount of €5 million referred to the extraordinary compensation approved for the chairman.

6. Investments

Details are as follows:

€ in millions	12/31/2006	12/31/2005	Change
Accounted for at cost			
IFIL S.p.A. (ordinary shares)	1,872.1	1,731.7	140.4
IFIL S.p.A. (savings shares)	6.4	6.4	0.0
	1,878.5	1,738.1	140.4
Exor Group S.A. (ordinary shares)	0.0	102.6	(102.6)
Other investments	0.4	0.4	0.0
Total investments	1,878.9	1,841.1	37.8

The increase of €37.8 million in the carrying amount of the investments is due to the following movements:

€ in millions	
Investments at December 31, 2005	1,841.1
Purchase of 14,708,160 IFIL ordinary shares (1.42% of the class of stock)	66.9
Impairment reversals on IFIL ordinary shares	73.5
Sale of a 29.3% stake in Exor Group to the same Exor Group	(102.6)
Net change during the year	37.8
Investments at December 31, 2006	1,878.9

The comparison between carrying amounts and market prices of IFIL S.p.A. shares held at December 31, 2006 is as follows:

	Number of shares held	Carrying amount		Market price			
		Per share (€)	Total (€ml)	December 29, 2006		March 23, 2007	
				Per share (€)	Total (€ml)	Per share (€)	Total (€ml)
IFIL S.p.A.							
- ordinary shares	675,200,000	2.77	1,872.1	6.19	4,177.5	7.22	4,876.3
- savings shares	1,866,420	3.42	6.4	4.92	9.2	6.81	12.7
Total			1,878.5		4,186.7		4,889.0

7. Equity

At December 31, 2006, equity is equal to €1,793.7 million (€1,574.5 million at December 31, 2005). The positive change of €219.2 million is due to the profit for the year (+€217.6 million) and other net changes (+€1.6 million).

8. Net financial position

Details are as follows:

€ in millions	12/31/2006	12/31/2005	Change
Cash and cash equivalents	59.7	0.1	59.6
Other financial assets, current and non-current	3.9	2.1	1.8
Bank debt, current and non-current	(160.3)	(264.8)	104.5
Debt with related parties	0.0	(13.9)	13.9
Current other financial liabilities	(0.8)	(1.2)	0.4
Net financial position	(97.5)	(277.7)	180.2

The positive change of € 180.2 million in 2006 is due to the following cash flows:

€ in millions	
Net financial position at December 31, 2005	(277.7)
Dividends collected	54.3
Net financial expenses	(5.4)
Net general expenses	(4.9)
Sale of a 29.3% stake in Exor Group to the same Exor Group, net of costs to sell	206.6
Purchase of 14,708,160 IFIL ordinary shares	(66.9)
Other net changes	(3.5)
Net change during the year	180.2
Net financial position at December 31, 2006	(97.5)

9. Reconciliation between the data of the separate financial statements of IFI S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and the equity in the separate financial statements of IFI S.p.A. for the year ended December 31, 2006 and the corresponding figures in the consolidated financial statements of the IFI Group at the same date are presented as required by Consob Communication 6064293 dated July 28, 2006.

€ in millions	Profit	Equity
Separate financial statements of IFI S.p.A.	218	1,794
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year		1,509
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)		494
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	222	222
Elimination of dividends collected from consolidated companies and companies accounted for by the equity method	(54)	(54)
Elimination of impairment losses and reversals on consolidated investments and companies accounted for by the equity method	(70)	(70)
Adjustments of gains on the sale of investments	(97)	(97)
Other consolidation adjustments	2	2
Consolidated financial statements of the IFI Group (attributable to the equity holders of the company)	221	3,800

10. Reconciliation between the net financial position of IFI S.p.A. and the consolidated net financial position

€ in millions	12/31/2006	12/31/2005	Change
Net financial position of IFI S.p.A.	(98)	(278)	180
Net liquidity of the IFIL Holdings System	386	348	38
Net financial position of companies consolidated line-by-line:			
- Sequana Capital Group	(380)	(441)	61
- Alpitour Group	(29)	(78)	49
- Juventus Football Club S.p.A.	(75)	(38)	(37)
Consolidated net financial position	(196)	(487)	291

The composition of the consolidated net financial position is presented in Note 27 to the IFI Group consolidated financial statements.

IFI GROUP – REVIEW OF THE CONSOLIDATED RESULTS

In order to facilitate the analysis of the equity and financial position and the results of operations of the Group, it is IFI's practice to present financial statements (balance sheet and income statement) prepared by accounting for the investments in the subsidiaries (IFIL) and associates (Exor Group, until December 31, 2005) by the equity method in the separate financial statements or in the separate accounting situations of IFI S.p.A.. This method consists of presenting a condensed representation of the consolidated results of the IFI Group. Such consolidated financial statements are presented along with the annual consolidated financial statements and the interim consolidated financial statements for the first-half of each year. The quarterly consolidated data is also presented in the same format in the quarterly reports at March 31 and September 30 of each year.

The income statement and balance sheet below are prepared by accounting for the investments in the subsidiaries (IFIL) and associates (Exor Group, until December 31, 2005) by the equity method; these statements are referred to as the "Condensed consolidated income statement" and the "condensed consolidated balance sheet". Comments are only made in respect of items which differ from the separate financial statements of IFI S.p.A..

IFI Group – Condensed consolidated income statement

€ in millions	Note	2006	2005	Change
Share of the profit (loss) of companies accounted for by the equity method	2	222.0	693.0	(471.0)
Gain on the sale of the investment in Exor Group		7.3	0.0	7.3
Dividends from other investments		0.1	0.1	0.0
Net financial expenses		(5.4)	(9.0)	3.6
Net general expenses		(4.9)	(4.8)	(0.1)
Other non-current income (expenses)		0.0	(5.0)	5.0
Income taxes		2.3	1.3	1.0
Profit attributable to the equity holders of the company		221.4	675.6	(454.2)

1. Consolidated profit attributable to the equity holders of the IFI Group

The consolidated profit attributable to the equity holders of the IFI Group for 2006 amounts to €221.4 million and decreased by €454.2 million compared to 2005 (€675.6 million) which, however, had included significant net nonrecurring income recognized by the IFIL Group.

2. Share of the profit (loss) of companies accounted for by the equity method

The share of the profit (loss) of companies accounted for by the equity method at December 31, 2006 is €222 million (€693 million in 2005). The negative change of €471 million is primarily due to a lower contribution by the IFIL Group (€460.4 million) which, as mentioned above, in 2005 had included significant net nonrecurring income.

Details are as follows:

€ in millions	Profit (loss)		IFI's share		Change
	2006	2005	2006	2005	
IFIL Group	341.0	1,090.0	217.6	680.2	(462.6)
Consolidation adjustments			4.4 (a)	2.2 (b)	2.2
Total IFIL Group			222.0	682.4	(460.4)
Exor Group (c)	-	36.2	0.0	10.6	(10.6)
Total			222.0	693.0	(471.0)

(a) Of which €4.9 million is due to the excess in the increase of IFI's share of the consolidated equity of the IFIL Group compared to the cost of IFIL shares purchased during the year and -€0.5 million for other minor adjustments.

(b) Of which €1.5 million is due to the excess of the increase in IFI's share of the consolidated equity of the IFIL Group compared to the cost of the IFIL shares purchased during the year and €0.7 million for other minor adjustments.

(c) The investment was sold on April 7, 2006.

Comments on the operating performance of the IFIL Group are presented in the next section.

IFI Group – Condensed consolidated balance sheet

€ in millions	Note	12/31/2006	12/31/2005	Change
Non-current assets				
Investments accounted for by the equity method	3	3,880.8	3,352.4	528.4
Other financial assets		0.8	0.6	0.2
Total Non-current assets		3,881.6	3,353.0	528.6
Current assets				
Other financial assets		3.5	2.0	1.5
Cash and cash equivalents		59.7	0.1	59.6
Trade receivables and other receivables		19.4	19.1	0.3
Total Current assets		82.6	21.2	61.4
Total Assets		3,964.2	3,374.2	590.0
Equity attributable to the equity holders of the company				
Capital and reserves		3,870.3	3,154.5	715.8
Treasury stock		(70.5)	(70.5)	0.0
Total Equity attributable to the equity holders of the company	4	3,799.8	3,084.0	715.8
Non-current liabilities				
Provisions for employee benefits		1.8	1.6	0.2
Debt		125.0	160.0	(35.0)
Deferred tax liabilities and other liabilities		0.1	2.4	(2.3)
Total Non-current liabilities		126.9	164.0	(37.1)
Current liabilities				
Debt		36.2	119.9	(83.7)
Trade payables and other liabilities		1.3	6.3	(5.0)
Total Current liabilities		37.5	126.2	(88.7)
Total Equity and liabilities		3,964.2	3,374.2	590.0

3. Investments accounted for by the equity method

The carrying amount of investments accounted for by the equity method is € 3,880.8 million at December 31, 2006. The increase of € 528.4 million compared to the end of 2005 (€ 3,352.4 million) is due to purchases of IFIL shares made in 2006 (+€ 66.9 million), IFI's share (+€ 660.8 million) of the changes in the equity of the IFIL Group and the sale of the investment in Exor Group (- € 199.3 million).

Details are as follows:

€ in millions	Carrying amount				Change
	12/31/2006		12/31/2005		
	Per share (€)	Total	Per share (€)	Total	
IFIL Group					
- ordinary shares	5.73	3,870.1	4.76	3,144.2	725.9
- savings shares	5.73	10.7	4.76	8.9	1.8
		3,880.8		3,153.1	727.7
Exor Group (a)		0.0	58.3	199.3	(199.3)
Total		3,880.8		3,352.4	528.4

(a) The investment was sold on April 7, 2006.

4. Equity attributable to the equity holders of the company

The consolidated equity attributable to the equity holders of the company at December 31, 2006 amounts to € 3,799.8 million (€ 3,084 million at the end of 2005). The increase of € 715.8 million is the result of the consolidated profit attributable to the equity holders of the company for the year (+€ 221.4 million) and other net changes (€ 494.4 million).

The changes during the year are analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the company at December 31, 2005	3,084.0
Share of the translation differences (-€ 86.5 million) and other net changes (+€ 579.3 million) shown in the equity of the subsidiary IFIL	492.8
Other net changes	1.6
Profit attributable to the equity holders of the company	221.4
Net change during the year	715.8
Equity attributable to the equity holders of the company at December 31, 2006	3,799.8

5. Reconciliation between the consolidated financial statements prepared by accounting for the investments in subsidiaries and associates by the equity method and the IFI Group consolidated financial statements prepared in accordance with IFRS

The first column ("Condensed consolidation") presents the data that has been commented on in the preceding pages reclassified according to the consolidated financial statement format.

The column ("Elimination of IFIL" investment) shows the adjustments necessary to eliminate the carrying amount of the investment in IFIL and the share of the results of this investment in order to arrive at the line-by-line consolidation of the consolidated financial statements of IFIL Group, shown in the specific column.

Reconciliation of the consolidated balance sheet

€ in millions	IFI Condensed consolidation	IFIL Group and consolidation consolidation	Elimination of IFIL adjustments	IFRS consolidation
Non-current assets				
Goodwill		760		760
Other intangible assets		188		188
Property, plant and equipment		845		845
Investments accounted for by the equity method	3,881	2,619	(3,881)	2,619
Other financial assets	1	2,672	0	2,673
Deferred tax assets		49		49
Other assets		55		55
Total Non-current assets	3,882	7,188	(3,881)	7,189
Current assets				
Inventories		540		540
Trade receivables		938		938
Other receivables	19	262		281
Financial assets	3	1,106		1,109
Cash and cash equivalents	60	302		362
Total Current assets	82	3,148	0	3,230
Assets held for sale		128		128
Total Assets	3,964	10,464	(3,881)	10,547
Equity				
Attributable to the equity holders of the company	3,800	3,963	(3,963)	3,800
Attributable to the minority interest		2,900		2,900
Total Equity	3,800	6,863	(3,963)	6,700
Non-current liabilities				
Provisions for employee benefits	2	135		137
Provisions for other liabilities and charges		169	81	250
Bonds and other debt	125	652		777
Deferred tax liabilities		102		102
Other liabilities		57		57
Total Non-current liabilities	127	1,115	81	1,323
Current liabilities				
Provisions for employee benefits		7		7
Provisions for other liabilities and charges		283		283
Bonds and other debt	36	711		747
Trade payables		927		927
Other liabilities	1	526	1	528
Total Current liabilities	37	2,454	1	2,492
Liabilities relating to assets held for sale		32		32
Total Equity and liabilities	3,964	10,464	(3,881)	10,547

Reconciliation of the consolidated income statement

€ in millions	IFI Condensed consolidation	IFIL Group and consolidation Consolidation	Elimination of IFIL adjustments	IFRS consolidation
Revenues		5,534		5,534
Other revenues from current operations		111		111
Purchases of raw materials and changes in inventories		(3,632)		(3,632)
Personnel costs	(3)	(922)		(925)
Other costs for external services	(1)	(747)		(748)
Taxes and duties	(1)	(42)		(43)
Depreciation and amortization		(157)		(157)
Accruals to provisions and other expenses from current operations		(72)		(72)
Profit (loss) from current operations	(5)	73	0	68
Other nonrecurring income (expenses)		(67)	5	(62)
Operating profit (loss)	(5)	6	5	6
Gains (losses) on the sale of investments	7	51		58
Cost of net debt	(5)	(31)		(36)
Other financial income (expenses)		72		72
Financial income (expenses)	2	92	0	94
Income taxes	2	(54)		(52)
Profit (loss) of companies consolidated line-by-line	(1)	44	5	48
Share of the profit of companies accounted for by the equity method	222	352	(222)	352
Profit from continuing operations	221	396	(217)	400
Profit from discontinued operations and assets held for sale	0	0	0	0
Profit	221	396	(217)	400
Profit attributable to the equity holders of the company	221	217	(217)	221
Profit attributable to the minority interest (A)	-	179	-	179
Net gain on the sale of the investment in SGS attributable to the minority interest (B)	-	396	-	396
Total profit attributable to the minority interest (A)+(B)	-	575	-	575

OTHER INFORMATION

Investments held by directors and statutory auditors

(Art. 79 of Consob resolution 11971 dated May 14, 1999 and subsequent amendments)

Name	Company	Number of shares			Held at 12/31/2006
		Held at 12/31/2005	Increase	Decrease	
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	120,000	532,000 (c)		652,000
	Sequana Capital (a)	11			11
Teodorani-Fabbi Pio	IFI preferred shares (b)	427,895			427,895
	IFIL ordinary shares (a)	90,000			90,000
	IFIL ordinary shares (b)	219,000	250,000		469,000
	Fiat ordinary shares (b)	6,583			6,583
	Fiat ordinary share warrants 2007 (b)	825			825
	Fiat savings shares (b)	5,720			5,720
Marrone Virgilio	IFIL ordinary shares (a)	93,415	140,200 (c)	147,915	85,700
Ferrero Ventimiglia Luca	IFI preferred shares (a)	1			1
Brandolini D'Adda Tiberto	Sequana Capital (a)	88			88
Camerana Oddone	IFIL savings shares (a)	30,500			30,500
Marini Clarelli Francesco	CNH Global (b)		10,000		10,000
Directors no longer in office					
Galateri di Genola Gabriele	Fiat ordinary shares (b)	3,328			3,328 (d)
	Fiat preferred shares (b)	440			440 (d)
	IFIL ordinary shares (b)	5,250			5,250 (d)
	IFI preferred shares (b)	125			125 (d)
Avogadro di Collobiano Annibale	IFIL ordinary shares (a)	120,000			120,000 (d)
	IFIL ordinary shares (b)	150,000			150,000 (d)
	IFIL savings shares (a)	80,000			80,000 (d)
	IFIL savings shares (b)	50,000			50,000 (d)
Statutory Auditors in office					
Jona Celesia Lionello	IFIL ordinary shares (b)	785			785
Statutory Auditors no longer in office					
Ferrero Cesare	Fiat ordinary shares (a)	1			1 (d)

(a) Direct holding.

(b) Indirect holding through spouse.

(c) Shares from the exercise of stock options.

(d) Held until May 25, 2006, date of expiry of the term of office.

There are no key managers with strategic responsibilities in IFI S.p.A..

Management and coordination

IFI S.p.A. is not subject to management and coordination on the part of companies or entities.

Programming document on security

The company has prepared the programming document on security on December 14, 2006 for the year 2006 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person in charge of the treatment of the data.

REVIEW OF THE OPERATING PERFORMANCE OF THE SUBSIDIARY IFIL INVESTMENTS S.p.A.



(66.23% of ordinary capital stock)

The consolidated data of the IFIL Group at December 31, 2006, commented below, is taken from the condensed consolidated balance sheet and income statement.

This data has been prepared by consolidating the holdings and services companies which constitute the "Holdings System" on a line-by-line basis and accounting for the other operating subsidiaries and associates (Fiat Group, Sequana Capital Group, Alpitour Group, Juventus F.C. and Turismo&Immobiliare) by the equity method.

€ in millions	2006	2005	Change
Profit attributable to the equity holders of the company	341.5	1,090.0	(748.5)
Equity attributable to the equity holders of the company	6,222.3	5,186.0	1,036.3
Consolidated net financial position - Holdings System	386.2	348.3	37.9
Investments and other non-current financial assets	5,855.3	4,815.1	1,040.2

The **IFIL consolidated profit attributable to the equity holders of the company** for the year 2006 is € 341.5 million. This is a reduction of € 748.5 million compared to the profit reported for the year 2005 (€ 1,090 million) which, however, had included significant nonrecurring income realized directly (the gain of € 459.1 million realized on the sale of the investment in La Rinascente) and through the Fiat Group (€ 482.7 million at the IFIL level) and the Sequana Capital Group (€ 266 million at the IFIL level).

The following tables present the condensed consolidated income statement and balance sheet and comments on the most important items.

IFIL GROUP – Condensed consolidated income statement

€ in millions	Note	2006	2005	Change
Share of the profit (loss) of companies accounted for by the equity method	1	293.2	622.0	(328.8)
Net financial income:				
- Dividends from investments	2	53.0	43.7	9.3
- Impairment (losses)/reversals on investments and securities		(0.7)	1.8	(2.5)
- Other financial income		19.2	6.3	12.9
Net financial income		71.5	51.8	19.7
Gain on the sale of the investment in La Rinascente		0.0	459.1	(459.1)
Net general expenses		(23.2)	(22.3)	(0.9)
Other non-current income (expenses)	3	0.2	(20.5)	20.7
Profit before income taxes		341.7	1,090.1	(748.4)
Income taxes		(0.2)	(0.1)	(0.1)
Profit attributable to the equity holders of the company		341.5	1,090.0	(748.5)

1. Share of the profit (loss) of companies accounted for by the equity method

The share of the profit (loss) of companies accounted for by the equity method is €293.2 million (€622 million in 2005). The negative change of €328.8 million is primarily due to lower contributions by the Sequana Capital Group (-€199.4 million) and the Fiat Group (-€144.4 million) which, as mentioned previously, included significant net nonrecurring income in 2005.

€ in millions	Profit (loss)		IFIL' share		
	2006	2005	2006	2005	Change
Fiat Group	1,065.0	1,331.0	304.6	373.8	(69.2)
Consolidation adjustments			(15.4) (a)	59.8 (b)	(75.2)
Total Fiat Group			289.2	433.6	(144.4)
Sequana Capital Group	958.0	348.1	504.2	183.7	320.5
Consolidation adjustments			(494.1) (c)	25.8 (d)	(519.9)
Total Sequana Capital Group			10.1	209.5	(199.4)
Alpitour Group	3.0 (e)	(10.7) (e)	3.0	(10.7)	13.7
Juventus Football Club S.p.A.	(14.7) (f)	(16.7) (f)	(8.8)	(10.0)	1.2
Other			(0.3)	(0.4)	0.1
Total			293.2	622.0	(328.8)

(a) Mainly for the assignment of preferred dividends for the years 2004, 2005 and 2006 to minority stockholders.

(b) Of which €54.8 million is due to the excess of the increases of IFIL's share of the consolidated equity of the Fiat Group deriving from the Fiat capital stock increase subscribed to by minority stockholders (+€605.4 million) and the increase in the percentage of consolidation, equal to 0.54% (+€29.2 million), compared to the costs incurred for the purchase of 87,500,000 Fiat ordinary shares (-€580.2 million), net of the sale of the rights on the ordinary and preferred shares (+€0.4 million).

(c) For the elimination of the after-tax gain deriving from the Sequana Capital/SGS Exchange and Purchase Offering (-€465.8 million) and for the diluting effect of the reduction in the percentage of ownership (-€28.3 million).

(d) Adjustment of the gain on the sale of the investment in Permal Group, due to the different carrying amount in IFIL.

(e) Data for the period November 1 – October 31.

(f) Data for the period January 1 – December 31 prepared for the purposes of consolidation in IFIL.

2. Dividends from investments

Dividends from investments in 2006 amount to €53 million and were entirely collected from Sanpaolo IMI (€43.7 million in 2005).

3. Other non-current income (expenses)

Other non-current income (expenses) include the accrual for the administrative sanction of €4.5 million levied on the company by Consob in relation to the content of the press release dated August 24, 2005, the cost of €3.1 million referring to the current year for the stock option plan approved for management of the subsidiary Alpitour, as well as the release of the provision set aside in prior years for the Alpitour stock option plan 2000 which was not exercised by the expiration date of August 31, 2006 (+€7.8 million). In 2005, the amount included extraordinary compensation approved for the chairman (€15 million) and former chief executive officer (€3.8 million) of IFIL S.p.A. and the expenses for that year (€1.7 million) relating to the stock option plans with underlying IFIL stock which expired in 2006.

IFIL GROUP – Condensed consolidated balance sheet

€ in millions	Note	12/31/2006	12/31/2005	Change
Non-current assets				
Investments accounted for by the equity method	4	3,291.8	3,576.8	(285.0)
Other financial assets	5	2,563.5	1,238.3	1,325.2
Property, plant and equipment		13.2	13.5	(0.3)
Total Non-current assets		5,868.5	4,828.6	1,039.9
Current assets				
Financial assets	8	857.1	793.3	63.8
Cash and cash equivalents	8	5.7	4.2	1.5
Trade receivables and other receivables		47.2	43.7	3.5
Total Current assets		910.0	841.2	68.8
Total Assets		6,778.5	5,669.8	1,108.7
Equity attributable to the equity holders of the company	7	6,222.3	5,186.0	1,036.3
Non-current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		2.4	2.2	0.2
Bonds and other debt	8	199.2	0.0	199.2
Deferred tax liabilities and other liabilities		52.6	1.2	51.4
Total Non-current liabilities		254.2	3.4	250.8
Current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		0.0	7.8	(7.8)
Bonds and other debt	8	277.6	449.5	(171.9)
Trade payables and other liabilities		24.4	23.1	1.3
Total Current liabilities		302.0	480.4	(178.4)
Total Equity and liabilities		6,778.5	5,669.8	1,108.7

4. Investments accounted for by the equity method

Details are as follows:

€ in millions	Carrying amount at		Change
	12/31/2006	12/31/2005	
Fiat Group	2,610.6	2,335.7	274.9
Sequana Capital Group	588.8	1,140.9	(552.1)
Alpitour Group	70.4	69.9	0.5
Juventus Football Club S.p.A.	17.7	26.6	(8.9)
Turismo&Immobiliare S.p.A.	4.3	3.7	0.6
Total	3,291.8	3,576.8	(285.0)

The decrease in the investment in the Sequana Capital Group can be ascribed to the Public Exchange and Purchase Offer and the consequent reduction in capital stock carried out in 2006.

5. Other non-current financial assets

Details are as follows:

€ in millions	Carrying amount at		Change
	12/31/2006	12/31/2005	
Other investments			
Sanpaolo IMI S.p.A.	1,640.3	1,228.6	411.7
SGS S.A. (a)	870.0	0.0	870.0
Gruppo Banca Leonardo S.p.A.	47.0	0.0	47.0
Subsidiaries of the "Holdings System" in liquidation and others	1.0	1.1	(0.1)
Securities			
Ocean Club Méditerranée bonds	5.0	4.8	0.2
Fiat ordinary share warrants 2007 (a)	0.0	3.5	(3.5)
Sundry			
	0.2	0.3	(0.1)
Total other non-current financial assets	2,563.5	1,238.3	1,325.2

(a) Sold in 2006.

The investment in SGS S.A. (13.16% of capital stock) was initially recorded at the carrying amount at which the investment had been recognized in the consolidated financial statements of the Sequana Capital Group before the Public Exchange and Purchase Offer, equal to €361.6 million, and was classified in "investments available-for-sale". At December 31, 2006, the investment was measured at fair value on the basis of the stock market price at the end of the year and the unrealized gain (€508.4 million) was recognized in equity.

The original purchase cost of the investment in Sanpaolo IMI is €883.4 million. In the years 2005 and 2006, the overall fair value adjustment to the investment totals €756.9 million.

6. Comparison between carrying amounts and market prices of listed investments and other listed financial assets

Details are as follows:

	Number of shares held	Carrying amount Per share (€)	Carrying amount Total (€ml)	Market price at			
				December 29, 2006		March 23, 2007	
				Per share (€)	Total (€ml)	Per share (€)	Total (€ml)
Fiat Group							
- ordinary shares	332,587,447	7.18	2,388.0	14.42	4,797.6	19.00	6,320.8
- preferred shares	31,082,500	7.18	222.6	12.06	374.8	16.44	510.9
			2,610.6		5,172.4		6,831.7
Sequana Capital Group							
Sanpaolo IMI S.p.A.	93,071,000	17.62	1,640.3	17.62	1,640.3	5.72	1,656.9 (a)
Juventus Football Club S.p.A.	72,560,500	0.24	17.7	1.76	128.0	1.89	137.1
SGS S.A.	1,029,456	845.11	870.0	845.11	870.0	899.77	926.3
Ocean Club Méditerranée bonds	76,614	65.10	5.0	65.15	5.0	66.18	5.1
Total			5,732.4		8,376.1		10,109.3

(a) This refers to the valuation of 289,916,165 Intesa Sanpaolo S.p.A. shares.

7. Equity attributable to the equity holders of the company

Details are as follows:

€ in millions	12/31/2006	12/31/2005	Change
Capital and reserves	6,270.8	5,238.1	1,032.7
Treasury stock	(48.5)	(52.1)	3.6
Total	6,222.3	5,186.0	1,036.3

The changes during the year are analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the company at December 31, 2005	5,186.0
Fair value adjustment of the investment in Sanpaolo IMI (+€ 411.7 million, net of -€ 48.2 million of deferred taxes) and the investment in SGS (+€ 508.4 million)	871.9
Share of translation differences (-€ 140.7 million) and other net changes (+€ 49.3 million) shown in the equity of the companies accounted for by the equity method	(91.4)
Dividends paid out by IFIL S.p.A.	(85.7) ^(a)
Profit attributable to the equity holders of the company	341.5
Net change during the year	1,036.3
Equity attributable to the equity holders of the company at December 31, 2006	6,222.3

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

At December 31, 2006, IFIL S.p.A. holds, directly and indirectly, the following treasury stock:

	Number of IFIL ordinary shares	% of class of stock	% of capital stock	Amount	
				Per share (€)	Total (€ ml)
Held by IFIL S.p.A.	12,402,998	1.19	1.15	3.68	45.7
Held by the subsidiary Soiem S.p.A.	810,262	0.08	0.08	3.41	2.8
Balance at December 31, 2006	13,213,260	1.27	1.23	3.67	48.5

As a result of the exercise of the options granted in prior years, in 2006, 1,382,780 IFIL ordinary shares were sold to the grantees of stock option plans for net proceeds of €5.3 million and a gain of €1.7 million which was recognized directly as an increase in equity.

8. Consolidated net financial position of the “Holdings System”

The consolidated net financial position of the “Holdings System” at December 31, 2006 is a cash position of €386.2 million. This is an increase of €37.9 million compared to the cash position at the end of 2005 (€348.3 million).

The consolidated net financial position of the “Holdings System” is composed as follows:

€ in millions	12/31/2006			12/31/2005		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets	857.1	0.2	857.3	793.3	0.3	793.6
Cash and cash equivalents	5.7	0.0	5.7	4.2	0.0	4.2
Total financial assets	862.8	0.2	863.0	797.5	0.3	797.8
Bonds	0.0	(199.2)	(199.2)	(99.8)	0.0	(99.8)
Bank and other debt	(277.6)	0.0	(277.6)	(349.7)	0.0	(349.7)
Total financial liabilities	(277.6)	(199.2)	(476.8)	(449.5)	0.0	(449.5)
Consolidated net financial position of the “Holdings System”	585.2	(199.0)	386.2	348.0	0.3	348.3

Current financial assets amount to €857.1 million (€793.3 million at the end of 2005) and principally include investments in time deposits, in bonds and in other short-term financial instruments.

The positive change of €37.9 million during the year is due to the following flows:

€ in millions	
Consolidated net financial position of the “Holdings System” at December 31, 2005	348.3
Dividends collected from:	
- Sequana Capital	184.5
- Sanpaolo IMI	53.0
	<u>237.5</u>
Dividends paid out by IFIL S.p.A.	(85.7) (a)
Investment made in Gruppo Banca Leonardo S.p.A. (9.6% of capital stock)	(47.0) (b)
Investment made in Fiat ordinary shares (0.39% of class of stock)	(62.3)
Other net changes:	
- Other net financial income (expenses)	19.2
- Net general expenses	(23.2)
- Other changes	(0.6)
	<u>(4.6)</u>
Net change during the year	37.9
Consolidated net financial position of the “Holdings System” at December 31, 2006	386.2

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

(b) Includes transaction costs of €0.4 million.

At December 31, 2006 IFIL S.p.A. has irrevocable credit lines for €830 million, of which €420 million is due by December 31, 2007 and €410 million at later expiration dates.

The rating assigned by Standard & Poor's to IFIL's long-term debt is "BBB+", whereas the rating on short-term debt is "A-2", both with a stable outlook.

9. Reconciliation between the consolidated net financial position of the "Holdings System" and under line-by-line consolidation

€ in millions	12/31/2006	12/31/2005	Change
Consolidated net financial position - "Holdings System"	386	348	38
Net financial debt of the companies consolidated line-by-line			
- Sequana Capital Group	(380)	(441)	61
- Alpitour Group	(29)	(78)	49
- Juventus Football Club S.p.A.	(75)	(38)	(37)
Consolidated net financial position - line-by-line consolidation	(98)	(209)	111

The parent, IFIL S.p.A., closed the year 2006 with a profit of €625.3 million, €620.1 million of which is the net amount deriving from the impairment reversal on the investment held in Fiat (€645.3 million) and the accrual for the related deferred taxes (-€25.2 million)

The board of directors' meeting on March 30, 2007 put forward a motion for distribution of dividends of €0.1 per ordinary share and €0.1207 per savings share for a maximum total of €108.4 million.

IFI S.p.A.'s share of the dividends amounts to €69 million.

The major events in 2006 and in the first quarter of 2007 are presented below.

Investment in Gruppo Banca Leonardo S.p.A.

On April 24, 2006, after receiving authorization from the competent authority, the subsidiary Ifil Investissements purchased 14,200,000 Gruppo Banca Leonardo S.p.A. Class A shares, equal to 9.6% of the current capital stock of the bank, for an investment of €47 million, including transaction costs of €0.4 million.

Non-convertible bond issue

On June 9, 2006, following the resolution passed by the board of directors' meeting on May 12, 2006, IFIL S.p.A. issued non-convertible bonds for a face value of €200 million maturing June 9, 2011. The issue price was 99.9% of face value and interest is quarterly at the 3-month Euribor plus a spread of 68 basis points. Standard & Poor's rated the bonds BBB+, which is the also current rating of IFIL S.p.A.'s long-term debt. The bonds were admitted to trading on the Luxembourg stock exchange. The sole Lead Manager was Rasfin SIM S.p.A..

Increase of the investment in Fiat S.p.A.

In November and December 2006, IFIL S.p.A. purchased 4,254,000 Fiat ordinary shares (0.39% of the class of stock) on the market for an investment of €62.3 million.

IFIL S.p.A. now holds 332,587,447 Fiat ordinary shares equal to 30.45% of the class of stock and 31,082,500 Fiat preferred shares equal to 30.09% of the class of stock. The investment represents 28.513% of current Fiat capital stock.

Public Exchange and Purchase Offer launched by the subsidiary Sequana Capital

On September 6, 2006, the board of directors of the subsidiary Sequana Capital approved the project to place Sequana Capital's focus on the paper sector (in which it operates through the wholly-owned subsidiaries Arjowiggins and Antalis). Consequently, it launched the Public Exchange Offering for a maximum of 57,646,980 Sequana Capital shares (54.31% of capital stock at August 1, 2006) in exchange for a maximum of 1,859,580 SGS shares (23.8% of capital stock) held by Sequana Capital itself, in a ratio of 1 SGS share for every 31 Sequana Capital shares tendered in the Offering. Alternatively, the stockholders could have chosen to tender their shares to the Public Purchase Offering and receive the price of €21 in cash for each Sequana Capital share sold to the company.

The offering period, approved by the French stock exchange authority and the special stockholders' meeting held on October 30, 2006, ended on November 28, 2006 with 100,548,993 Sequana Capital shares tendered (equal to 94.2% of the shares outstanding), of which 100,330,857 were tendered in the Exchange Offering and 218,136 in the Purchase Offering.

After the allocation, 57,521,414 shares were accepted for the Exchange Offering and 125,566 shares for Purchase Offering.

Finally, on December 14, 2006, the board of directors of Sequana Capital reduced capital stock to €73,679,608.5 (represented by 49,119,739 shares of par value €1.5 each) by canceling 57,646,980 shares tendered in the offerings.

Under the offer which was finalized on December 18, 2006, the subsidiary Ifil Investissements tendered 31,913,141 Sequana Capital shares obtaining in exchange 1,029,456 SGS shares (13.16% of capital stock).

The investment in Sequana Capital (represented by 24,009,482 shares) decreased from 52.68% to 48.88%.

Agreement for the acquisition of the controlling interest in the Cushman & Wakefield Group

On December 19, 2006, the subsidiary Ifil Investissements reached an agreement for the purchase of the controlling interest in Cushman & Wakefield (C&W), replacing Rockefeller Group International Inc., an international investment and property development company.

On March 30, 2007, after receiving the authorizations from the competent authorities, Ifil Investissements finalized this agreement by purchasing 71.52% of the capital stock of Cushman & Wakefield for an investment of \$ 625 million (€474 million), in addition to transaction costs. The remaining 28.48% stake is held by C&W management and employees.

The acquisition was financed by Ifil Investissements' cash resources with no additional leverage assumed by C&W, ensuring that it retains complete financial flexibility with respect to its future growth objectives. For the IFIL Group, the investment represents a unique opportunity to acquire a majority position in what is widely regarded as the commercial real estate sector's foremost brand. C&W is led by one of the sector's most experienced management teams and operates in a growing, fragmented and consolidating services sector that presents excellent prospects for growth, both organically and through acquisitions. This transaction represents an important step in the IFIL Group's plans to continue diversifying its assets across a range of sectors, geographies and currencies.

The investment provides C&W with a new long-term stockholder with a proven track record of supporting the management teams of its portfolio as they define and implement successful growth and development plans. The transaction provides C&W with continuity of both management and strategy.

The C&W board of directors will consist of Carlo Sant'Albano, Alessandro Potestà, Michael Bartolotta and Pierre Martinet from the IFIL Group and Bruce Mosler, John Cushman and John Santora, managers from C&W.

C&W is headquartered in New York, where it was founded in 1917, and is the world's pre-eminent privately held services firm. It is present in 55 countries across the globe with 197 offices and 11,500 employees. In 2006, consolidated revenues totaled \$ 1.5 billion, an increase of 23% over the prior year, an EBITDA of \$ 119 million and a consolidated profit of \$ 40 million.

C&W provides real estate services to 75% of the Fortune 500 and has a diverse customer base. C&W offers a complete range of services for the real estate sector, split into four main areas of activity: Transaction Services – tenant and landlord representation in office, industrial and retail estate; Capital Markets – property sales, investment management of properties, investment banking and valuation services; Client Solutions – real estate strategies and related services to large corporations and property owners and Consulting Services – business and real estate consulting.

In 2006, C&W negotiated more than \$ 32 billion in leasing transactions and approximately \$ 50 billion in property sales. C&W has valued over \$ 500 billion of property in 2006 and is the most important Group in the world. The firm has more than 430 million square feet of property under management, making it one of the largest global property managers. In 2005, C&W launched its "Fast Forward" growth strategy to restructure its business, diversify its services and expand its geographic reach. Its strategy is focused on extending C&W's business in Europe and in the Asia-Pacific region with the aim of generating 50% of its revenues from outside the United States by 2011, and on increasing its presence in the investment services sector.

In the past two years C&W has consolidated its position in Mexico by taking full control of its operation there, acquired its Russian and Canadian market leader affiliates, respectively Stiles & Riabokobylko and Royal LePage, and announced plans to open an office in Finland. The company is also continuing to expand in India, China and throughout Asia.

The United States remains a core market and continues to present opportunities: the top five real estate service providers, including C&W, control only 14% of the \$ 23 billion United States commercial property services market affording plenty of scope for growth.

Merger of Sanpaolo IMI S.p.A. in Banca Intesa S.p.A.

On December 28, 2006, the deed of merger of Sanpaolo IMI S.p.A. in Banca Intesa S.p.A. was signed and became effective for legal purposes on January 1, 2007.

At December 31, 2006, IFIL S.p.A. held 93,071,000 Sanpaolo IMI ordinary shares (5.85% of ordinary capital stock and 4.96% of capital stock); IFIL S.p.A. received for those shares a total of 289,916,165 Intesa Sanpaolo S.p.A. ordinary shares (2.45% of ordinary capital stock and 2.27% of capital stock).

Effective January 1, 2007, the capital stock of Intesa Sanpaolo S.p.A. is €6,646,436,318.6 and is composed of 11,849,117,744 ordinary shares and 932,490,561 non-convertible savings shares, all with a par value of €0.52.

Consob sanctionary measure

On February 13, 2007, the Consob sanctionary measure (Resolution 15760) was notified with regard to the contents of the press releases issued by IFIL S.p.A. and by Giovanni Agnelli e C. S.a.p.az. on August 24, 2005 and applies the following pecuniary administrative sanctions:

- to Gianluigi Gabetti (chairman of IFIL S.p.A. and chairman of Giovanni Agnelli e C. S.a.p.az.) €2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL S.p.A. and €2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C. S.a.p.az;
- to Franzo Grande Stevens (director of IFIL S.p.A.) €2 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL S.p.A. and €1 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C. S.a.p.az;
- to Virgilio Marrone (chief executive officer and general manager of IFI S.p.A.) €500 thousand in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C. S.a.p.az;
- to IFIL S.p.A. €4.5 million;
- to Giovanni Agnelli e C. S.a.p.az. €3 million;

and the additional following administrative sanctions: temporary inability to assume positions of administration, direction and control in listed companies or in companies that are part of the same group of listed companies:

- to Gianluigi Gabetti: for six months
- to Franzo Grande Stevens: for four months
- to Virgilio Marrone: for two months

On the same date, the meeting of the board of directors, presided over by the vice chairman (vicario) John Elkann, took note of the sanctionary measure with surprise and disappointment and declared that Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone had its full support.

The individuals and companies mentioned in the sanctionary measure filed an appeal with the Turin Court of Appeals on February 28, 2007 together with a request for the suspension of the measure on serious grounds.

IFIL S.p.A. has accrued the pecuniary sanction of €4.5 million in the separate and consolidated financial statements for the year ended December 31, 2006.

A preliminary investigation by the Turin District Attorney's office is currently underway concerning the same facts as the Consob sanctionary measure.

Juventus Football Club S.p.A. capital increase

On March 14, 2007, the board of directors of Juventus Football Club S.p.A. examined and unanimously approved the medium term development plan aimed at relaunching the company from the standpoint of sports excellence, developing commercial activities and strengthening the financial and equity positions.

In order to finance the development plan, the board of directors voted to put forward a motion to the stockholders' meeting called for April 20, 2007 to increase the capital stock by approximately €104.8 million through the issue of 80,621,332 shares (to be offered to the stockholders as option rights in a ratio of 2 new shares for every 3 shares held) at the issue price of € 1.30 per share (of which € 1.20 is the share premium).

IFIL Investment S.p.A., in agreeing with the objectives of the medium term development plan, will subscribe to its share, equal to € 62.9 million.

Gruppo Banca Leonardo S.p.A. capital increase

In February 2007, the subsidiary Ifil Investissements S.A. declared its irrevocable intention to exercise the right to subscribe to its share of the Gruppo Banca Leonardo capital increase, equal to 11,055,537 shares for an investment of € 36.3 million. The new shares will be issued, subscribed to and fully paid-in on April 30, 2007.

Increase in the investment in SGS S.A.

In March 2007, the subsidiary Ifil Investissements S.A. purchased 45,364 SGS shares on the market for an investment of € 39.5 million, increasing its stake from 13.16% to 13.74%.

Sale of the investment in Turismo&Immobiliare

On March 26, 2007, the subsidiary Ifil Investissements reached an agreement for the sale of the investment in Turismo&Immobiliare, the company which holds a 49% stake in Italia Turismo, the largest real estate operator in the tourism-incoming sector in Italy which has significant investments in the south of Italy.

Pursuant to the agreement, Ifil Investissements will sell its 25% holding in Turismo&Immobiliare to the Marcegaglia Group, Pirelli RE and Gabetti Property Solutions for € 5.2 million.

The closing of the transaction, which is subject to approval by the competent authorities, is expected to take place in June 2007.

Business outlook

For the year 2007, IFIL S.p.A is expected to report a profit.

Taking into account the forecasts formulated by the major holdings, a profit is forecast in the IFIL Group consolidated financial statements for 2007.

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND THE APPROPRIATION OF THE PROFIT FOR THE YEAR

We invite you to approve the separate financial statements for the year ended December 31, 2006.

In view of the fact that the board of directors has waived, by specific resolution, the share of the profits to which it is entitled pursuant to art. 27 of the bylaws and that the legal reserve amounts to one-fifth of capital stock, we propose the appropriation of the profit for the year of €217,624,583 to the extraordinary reserve.

Turin, March 30, 2007

For the Board of Directors
Vice Chairman (Vicario)
John Elkann

IFI
Istituto Finanziario Industriale

Annual Report 2006

Separate financial statements of IFI S.p.A.
at December 31, 2006

IFI S.p.A.

SEPARATE BALANCE SHEET

€	Note	12/31/2006	12/31/2005 (a)	Change
Non-current assets				
Investments accounted for at cost	8	1,878,935,972	1,841,134,349	37,801,623
Other financial assets		361,411	127,300	234,111
Intangible assets		0	3,034	(3,034)
Property, plant and equipment		1,860	12,918	(11,058)
Total Non-current assets		1,879,299,243	1,841,277,601	38,021,642
Current assets				
Cash and cash equivalents	9	59,680,530	95,680	59,584,850
Other financial assets	10	3,500,003	2,012,173	1,487,830
Tax receivables	11	18,761,288	18,200,114	561,174
Trade receivables from related parties	28	166,839	217,148	(50,309)
Other receivables		501,743	650,925	(149,182)
Total Current assets		82,610,403	21,176,040	61,434,363
Total Assets		1,961,909,646	1,862,453,641	99,456,005
Equity				
Capital stock	12	163,251,460	163,251,460	0
Capital reserves	13	386,346,907	386,346,907	0
Retained earnings and other reserves	14	1,096,937,669	1,056,864,871	40,072,798
Treasury stock	16	(70,477,224)	(70,477,224)	0
Profit for the year		217,624,583	38,489,652	179,134,931
Total Equity		1,793,683,395	1,574,475,666	219,207,729
Non-current liabilities				
Bank debt	17	125,000,000	160,000,000	(35,000,000)
Deferred tax liabilities	18	3,979,365	100,000	3,879,365
Provisions for employee benefits	19	1,809,966	1,641,752	168,214
Other payables		25,032	108,554	(83,522)
Total Non-current liabilities		130,814,363	161,850,306	(31,035,943)
Current liabilities				
Bank debt	17	35,349,713	104,817,037	(69,467,324)
Debt with related parties	28	0	13,867,500	(13,867,500)
Other financial liabilities		787,102	1,189,573	(402,471)
Trade payables to related parties	28	215,880	5,172,128	(4,956,248)
Trade payables to third parties		123,547	182,348	(58,801)
Tax payables		245,657	160,064	85,593
Other payables		689,989	739,019	(49,030)
Total Current liabilities		37,411,888	126,127,669	(88,715,781)
Total Equity and liabilities		1,961,909,646	1,862,453,641	99,456,005

(a) Restated and reclassified in accordance with IFRS.

SEPARATE INCOME STATEMENT

€	Note	2006	2005 (a)	Change
Investment income (charges)				
Dividends from investments	20	54,259,119	55,937,494	(1,678,375)
Gains on sales of investments	8	104,067,063	906	104,066,157
Reversal of impairment losses on investments	8	73,472,823	0	73,472,823
Impairment losses on investments		(24,987)	0	(24,987)
Net investment income		231,774,018	55,938,400	175,835,618
Financial income (expenses)				
Financial expenses from third parties	21	(7,883,364)	(9,329,675)	1,446,311
Financial expenses from related parties	28	(122,896)	(661,651)	538,755
Financial income from third parties	22	2,651,153	903,553	1,747,600
Foreign exchange gains (losses)		(99)	203	(302)
Net financial expenses		(5,355,206)	(9,087,570)	3,732,364
Net general expenses				
Personnel costs	23	(2,776,430)	(2,651,721)	(124,709)
Purchases of goods and services from third parties	24	(809,393)	(1,583,883)	774,490
Purchases of goods and services from related parties	28	(1,098,649)	(985,228)	(113,421)
Other current operating expenses	25	(949,576)	(613,446)	(336,130)
Depreciation and amortization		(5,264)	(7,029)	1,765
		(5,639,312)	(5,841,307)	201,995
Revenues from third parties		350,267	679,256	(328,989)
Revenues from related parties		374,181	396,605	(22,424)
Net general expenses		(4,914,864)	(4,765,446)	(149,418)
Other non-current expenses from related parties		0	(5,000,000)	5,000,000
Profit before income taxes		221,503,948	37,085,384	184,418,564
Income taxes	26	(3,879,365)	1,404,268	(5,283,633)
Profit for the year		217,624,583	38,489,652	179,134,931

(a) Restated and reclassified in accordance with IFRS.

SEPARATE STATEMENT OF CHANGES IN EQUITY

€	Capital Stock	Capital reserves	Retained earnings and other reserves	Treasury stock	Profit	Total Equity
Equity at January 1, 2005 ^(a)	163,251,460	386,346,907	1,053,237,439	(70,477,224)		1,532,358,582
Fair value changes to cash flow hedge instruments			3,576,259			3,576,259
Actuarial gains (losses) recognized directly in equity			15,146			15,146
Dividends statute-barred			36,027			36,027
Profit for the year					38,489,652	38,489,652
Net change during the year	0	0	3,627,432	0	38,489,652	42,117,084
Equity at December 31, 2005 ^(a)	163,251,460	386,346,907	1,056,864,871	(70,477,224)	38,489,652	1,574,475,666
Movements among reserves			38,489,652	(38,489,652)		0
Fair value changes to cash flow hedge instruments			1,486,236			1,486,236
Actuarial gains (losses) recognized directly in equity			61,806			61,806
Dividends statute-barred			35,104			35,104
Profit for the year					217,624,583	217,624,583
Net change during the year	0	0	40,072,798	0	179,134,931	219,207,729
Equity at December 31, 2006	163,251,460	386,346,907	1,096,937,669	(70,477,224)	217,624,583	1,793,683,395
Note	12	13	14	16		

(a) Restated and reclassified in accordance with IFRS.

STATEMENT OF RECOGNIZED INCOME AND EXPENSES FOR 2006 AND 2005

€	2006	2005
Gains (losses) recognized directly in the cash flow hedge reserve	1,486,236	3,576,259
Actuarial gains (losses) recognized directly in equity	61,806	15,146
Gains (losses) recognized directly in equity	1,548,042	3,591,405
Profit for the year	217,624,583	38,489,652
Total recognized income (expenses)	219,172,625	42,081,057

SEPARATE STATEMENT OF CASH FLOWS

€	Note	2006	2005 (a)
Cash and cash equivalents, at start of year		95,680	78,865
Cash flows from (used in) operating activities			
Profit for the year		217,624,583	38,489,652
Adjustments for:			
Depreciation and amortization		5,264	7,029
Gains on sales of investments and securities	8	(104,067,063)	(906)
(Gains) losses on sales of property, plant and equipment		508	(10,784)
Reversal of impairment losses on investments	8	(73,472,823)	0
Accruals for (release of) for deferred taxes	26	3,879,365	(1,404,268)
Impairment losses on investments		24,987	0
Total adjustments		43,994,821	37,080,723
Change in working capital:			
Change in other financial assets, current and non-current		(1,721,941)	(2,561,099)
Changes in tax receivables		(561,174)	(392,806)
Change in trade receivables from related parties		50,309	182,131
Change in other receivables, current and non-current		149,182	247,111
Change in other payables, current and non-current		(132,552)	(219,428)
Change in other financial liabilities, current and non-current		(402,471)	(1,966,274)
Change in trade payables to related parties		(4,956,248)	4,976,582
Change in trade payables to third parties		(58,801)	17,546
Change in tax payables		85,593	26,854
Net change in provisions for employee benefits		230,020	260,725
Net change in working capital		(7,318,083)	571,342
Net cash flows from operating activities		36,676,738	37,652,065
Cash flows from (used in) investing activities			
Additions to investments	8	(66,943,671)	(61,947,669)
Sales of investments and other securities	8	206,656,946	4,670,292
(Purchases) sales of property, plant and equipment		8,320	(6,131)
Net cash flows from (used in) investing activities		139,721,595	(57,283,508)
Cash flows from (used in) financing activities			
Loans secured from related parties		(13,867,500)	(10,318,348)
Net change in bank debt, current and non-current	17	(104,467,324)	26,361,417
Change in fair value of cash flow hedge instruments		1,486,236	3,576,259
Dividends statute-barred and other net changes		35,105	28,930
Net cash flows from (used in) financing activities		(116,813,483)	19,648,258
Net increase in cash flows		59,584,850	16,815
Cash and cash equivalents, at end of year		59,680,530	95,680

(a) Restated and reclassified in accordance with IFRS.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. General information on the activities of the company

IFI – Istituto Finanziario Industriale S.p.A. (abbreviated in **IFI S.p.A.**) is a corporation organized under the laws of the Republic of Italy. The head office is located in Turin, Italy, Corso Matteotti 26. The ordinary capital stock of the company is held entirely by **Giovanni Agnelli e C. S.p.A.**. IFI S.p.A. preferred stock is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). The assets of the company are represented by its controlling investment in **IFIL Investments S.p.A.**, for 66.23% of ordinary capital stock.

Additional information is presented in the section “IFI Group Profile” of the Directors’ Report on Operations.

2. Basis of presentation of the separate financial statements

Following the coming into force of European Regulation 1606 dated July 19, 2002 and the national laws implementing that Regulation, pursuant to article 4 of Legislative Decree 38 dated February 28, 2005, the separate financial statements of IFI S.p.A. at December 31, 2006 have been prepared for the first time using International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union. The designation “IFRS” also includes all valid International Accounting Standards (“IAS”), as well as all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), formerly the Standing Interpretations Committee (“SIC”).

The accounting policies applied in these financial statements are consistent with those adopted in preparing the IFRS opening separate balance sheet at January 1, 2005, as well as the separate income statement for the year 2005 and the separate balance sheet at December 31, 2005, as restated in accordance with IFRS and presented in the Appendix attached to these notes to which reference should be made. The optional exemptions adopted by IFI S.p.A. at the time of application of IFRS, the reconciliations between profit or loss and equity under Italian accounting principles (Italian GAAP) and profit or loss and equity under IFRS for the prior period shown as comparatives, as required by IFRS 1 – First-time Adoption of IFRS, together with related explanatory notes, are included in this Appendix.

The separate financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 and in Communication 6064293 dated July 28, 2006, in accordance with art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

3. Format of the separate financial statements and other information

The current/non-current distinction has been adopted for the presentation of assets and liabilities in the separate balance sheet; this required the reclassification of the previous balance sheets presented in accordance with the formats required by Legislative Decree 127 dated April 9, 1991, as amended.

The classification of revenues and costs based on the nature of expenses has remained unchanged for the separate income statement, with preference given to the presentation of investment income (charges) and financial income (expenses), items which are characteristic of IFI S.p.A.’s activities.

The separate statement of changes in equity presents the total income (expenses) recognized directly as an increase or decrease of reserves in a specific section.

The indirect method is used for the presentation of the separate statement of cash flows which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The financial statements are presented in Euro, the company's functional currency.

Major events in 2006 and in the first quarter of 2007, as well as the business outlook are presented in the Directors' Report on Operations.

4. Transactions with related parties, unusual and/or atypical transactions and nonrecurring events and significant transactions

Transactions with related parties

The balance sheet and income statement balances generated by transactions with related parties are shown separately in the financial statements formats and commented in Note 28.

Impairment reversals of investments

The year 2006 shows a profit of €217.6 million, €69.6 million of which is the net amount deriving from the impairment reversal on the investment held in IFIL (€73.5 million) and the accrual for the related deferred taxes (-€3.9 million) and, another €104 million, from the gain on the sale of the investment in Exor Group to the same Exor Group. Additional details are provided in Notes 8 and 28.

Consob sanctionary measure

On February 13, 2007, the meeting of the board of directors of the company, which was presided over by the vice chairman (Vicario) John Elkann, was notified of the Consob sanctionary measure against Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone with regard to the contents of the press releases dated August 24, 2005 released by IFIL Investments S.p.A. and Giovanni Agnelli e C. S.a.p.az..

The board of directors of IFI S.p.A., which did not take part owing to the reference to some of its members, expressed its full support to the above persons.

Additional information is provided in the comments on the operating performance of IFIL Investments S.p.A..

Other than what was indicated, there are no nonrecurring events and significant transactions or unusual and/or atypical transactions to be reported in accordance with Consob Communication 6064293 dated July 28, 2006.

5. Significant accounting principles

General principle

The separate financial statements of IFI S.p.A. are expressed in Euro based on the historical cost convention, except where the use of fair value is required for the measurement of certain financial instruments available-for-sale.

The notes to the separate financial statements are generally expressed in thousands of Euro.

Investments accounted for at cost

Investments in subsidiaries and associates are stated at cost and tested for impairment if, and only if, there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the

subsidiaries and associates and on the dividends which they could distribute. For IFI S.p.A., this objective evidence is a significant and prolonged decline in the market prices to below cost of a directly and indirectly owned subsidiary or associate, together with its continuing negative operating performance. In these cases, the impairment is determined as the difference between the carrying amount of the investment and its recoverable amount. The recoverable amount is generally determined, in the case of listed subsidiaries and associates, by their fair value (market prices), and in the case of unlisted subsidiaries, by the fair value of the indirect subsidiaries.

At each balance sheet date, IFI S.p.A. assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence. In these cases, the recoverable amount of the investment is re-measured and, if necessary, the carrying amount is increased up to the cost of the investment.

Investments available-for-sale and other non-current financial assets

These are measured at fair value which coincides, for listed investments, at the market price on the last day of the period. Unrealized gains and losses are recognized directly in equity, net of the relevant tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses may not later be reversed through the income statement.

Other current financial assets

Financial assets held for trading, being acquired for resale in the short term, are measured at fair value through the income statement.

The category includes short-term credit instruments and other forms of investment of liquidity as well as derivative financial instruments.

Non-financial receivables and payables

Receivables are initially recognized at fair value, represented by the present value of the amount that will be collected. Subsequently, they are measured at amortized costs using the effective interest method.

A provision for impairment of trade receivables is established when there is objective evidence of an impairment loss or a risk that the company will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates. The amount of the provision is the difference between the asset's carrying amount and the present value of recoverable estimated future cash flows, discounted at the effective interest rate. Payables are measured at their nominal amount, increased by the interest expense due, if any. Payables are subsequently measured at amortized cost.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions are recognized as a deduction of equity and, therefore, the reserve as the contra-entry of treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits – Pension plans

The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the company pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee.

Consequently, the company records the contribution paid as an expense and do not recognize any liability.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the company has the obligation to set aside the costs relating to the benefits guaranteed to their employees in service.

The actuarial risk and the investment risk are thus substantially borne by the company.

Defined benefit plans, which include employee severance indemnities established by Italian laws, are measured by actuarial techniques using the Project Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, IFI S.p.A. elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.

All cumulative actuarial gains and losses that existed at January 1, 2005 have been recognized in equity.

For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

The liability is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid.

Defined benefit plans are in some cases covered by financial assets managed outside the company. In those cases, the amount recognized in the financial statements for such liabilities corresponds to the difference between present value of future services (actuarial liability) and the market value of the assets invested that are intended to cover the liability, increased by losses or decreased by unrecognized (or not yet recorded) gains and, in any case, taking into account the surplus cap limit for assets established by paragraph 58 of IAS 19. When the result of this calculation shows a net obligation it is recognized in a provision under liabilities, in the reverse case, an asset is recognized.

Beginning January 1, 2007, the Finance Bill in Italy and the relative decrees implementing it introduced changes regarding employee severance indemnities which include allowing the employee to choose the destination of his/her indemnity that is accruing. In particular, the employee can choose to direct the new flows of the indemnity to pre-chosen pension schemes or to keep them with the company. At the present time, the uncertainty over the interpretation of the recently enacted law, the various possible interpretations of the qualification under IAS 19 of the indemnity being accrued and the resulting changes in the actuarial calculations of the indemnity already accrued, as well as the impossibility of estimating what destinations will be chosen by the employee (the individual employees have until June 30, 2007 to make their decisions) would render it premature to offer any assumptions, by the companies operating in Italy, on the actuarial change in the calculation of the indemnity accrued at December 31, 2006.

Provisions for other liabilities and charges

Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the balance sheet date, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, resulting from a past event, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.

Changes in estimates are recorded in the income statement in the period in which the change is made.

Debt

Interest-bearing debt is recognized at cost which corresponds to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

The amortized cost of a financial asset or liability is the initial amount at which it was measured net of repayments of principal, adjusted up or down on the basis of the amortization, using the effective interest rate method, of any difference between the initial amount and maturity amount, less any writedown made as a result of impairment or uncollectibility.

The effective interest rate is the rate that exactly discounts the expected future payments and receipts over the expected life of the financial instrument or, over a shorter period, if appropriate, at the net carrying amount of the financial asset or liability.

Derivative financial instruments

All derivative financial instruments are measured at fair value at the end of the period. Financial instruments qualify for hedge accounting only when there is formal designation and documentation of the hedging relationship and the hedge, verified periodically, is highly effective.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect profit and loss, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement.
- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the profit and loss account at the same time in which the hedged transaction affects profit and loss. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure (inasmuch as the company's policy does not

permit speculative transactions) are classified and measured as trading transactions. In that case, the difference with fair value is recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when they are approved by the stockholders and only from the earnings generated after the acquisition of the investee company. Instead, when the dividends are distributed from reserves generated before acquisition, the dividends are reported as a deduction from the cost of the investment.

Financial income and expenses are recognized according to the accrual principle on the basis of the effective rate of return.

Revenues from services are recognized by reference to the stage of completion of the transaction at the balance sheet date and measured on the basis of the services rendered.

Transactions in foreign currency

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities recorded in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which temporary differences will be reversed. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific caption under non-current assets or liabilities.

Use of estimates

The preparation of financial statements and related disclosures that conforms to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. Estimates are particularly used for the measurement of investments (impairment losses and reversals). Estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in the income statement.

6. Adoption of new accounting standards and interpretations issued by the IASB

Standards and interpretations in effect from January 1, 2006

In 2006 IFI S.p.A. adopted all the new and revised standards and the interpretations released by the IASB and IFRIC which had an effect on the transactions carried out or relevant to the financial statements for the years beginning on or after January 1, 2006.

In April 2005, the IASB issued an amendment to IAS 39 – Financial instruments: recognition and measurement, to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as the hedged item in a cash flow hedge in financial statements – provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and the foreign currency risk will affect the separate financial statements. The amendment also specifies that if the hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognized directly in equity in accordance with the hedge accounting rules in IAS 39 must be reclassified into profit or loss in the same period or periods during which the foreign currency risk of the hedged transaction affects separate income statement.

In June 2005, the IASB issued an amendment to IAS 39 – Financial instruments: recognition and measurement, to restrict the use of the option to designate any financial asset or any financial liability to be measured at fair value through profit and loss (the fair value option). The revisions limit the use of the option to those financial instruments that meet certain conditions. Those conditions are that:

- the fair value option designation eliminates or significantly reduces an accounting mismatch;
- a group of financial assets, financial liabilities, or both is managed and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy;
- an instrument contains an embedded derivative that meets particular conditions.

The adoption of these standards and interpretations had no material impact on the separate financial statements for the year ended December 31, 2006.

Standards and interpretations not yet in effect

In August 2005, the IASB issued IFRS 7 – Financial instruments: disclosures and a complementary amendment to IAS 1 – Presentation of Financial Statements – Capital Disclosures, effective beginning January 1, 2007.

IFRS 7 requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32 – Financial Instruments: Disclosure and Presentation. IFRS 7 also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks.

The amendment to IAS 1 introduces requirements for disclosures about an entity's capital.

IFI S.p.A. has decided not to elect the early adoption of IFRS 7 and the amendment to IAS 1.

On November 30, 2006, the IASB issued IFRS 8 – Operating Segments that will become effective beginning from January 1, 2009 and which will replace IAS 14 – Segment Reporting. This standard does not have any effect on the separate financial statements of IFI S.p.A..

In 2006, the following interpretations were issued but were not adopted in these financial statements:

- IFRIC 10 – Interim financial Reporting and Impairment (effective from January 1, 2007)
- IFRIC 11 – IFRS 2: Group and Treasury Share Transactions (effective from January 1, 2008)

The company believes that the adoption of these interpretations will not have a material effect on the financial statements.

In 2006, the following interpretations were also issued but are not applicable to IFI S.p.A.:

- IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyper-inflationary Economies (effective from January 1, 2007)
- IFRIC 8 – Scope of IFRS 2 (effective from January 1, 2007)
- IFRIC 9 – Reassessment of Embedded Derivatives (effective from January 1, 2007)
- IFRIC 12 – Service Concession Arrangements (effective from January 1, 2008)

7. Risk management

In view of its business as an investment company, IFI S.p.A. is not subject to specific credit risks. Moreover, it is not subject to direct currency risks since it does not hold significant equity investments denominated in currencies other than the Euro.

The financing requirements and the cash flows are coordinated so that the financial resources are managed effectively and efficiently. Outgoing flows of current operations are substantially financed by incoming flows from normal business and cash availability. Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. In this sense, IFI S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

IFI S.p.A. assesses and manages its exposure to changes in interest rate risks consistently with its management policy and utilizes derivative financial instruments to fix some of the financing obtained with a predetermined interest rate. Derivative financial instruments are not used for speculative purposes.

In particular, during 2006, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on existing loans.

COMMENTS ON THE PRINCIPAL ITEMS IN THE SEPARATE BALANCE SHEET

8. Non-current assets – Investments

Details of investments, which only include investments accounted for at cost, are as follows:

€ in thousands	12/31/2006		12/31/2005		Change
	% of class of stock	Amount	% of class of stock	Amount	
IFIL S.p.A. (ordinary shares)	65.01	1,872,142	63.59	1,731,726	140,416
IFIL S.p.A. (savings shares)	4.99	6,384	4.99	6,384	0
		1,878,526		1,738,110	140,416
Exor Group S.A.	-	-	29.29	102,559	(102,559)
Emittenti Titoli S.p.A.	6.43	272	6.43	272	0
Deutsche Morgan Grenfell Capital Italy S.A. – Class A shares	1.11	136	0.79	191	(55)
Deutsche Morgan Grenfell Capital Italy S.A. – Class B shares	1.28	2	1.28	3	(1)
Total investments		1,878,936		1,841,135	37,801

The changes during the year are as follows:

€ in thousands	Balances at 12/31/2005	Change during 2006			Balances at 12/31/2006
		Increases	Impairment (losses) reversals	Decreases	
IFIL S.p.A.(ordinary shares)	1,731,726	66,943	73,473		1,872,142
IFIL S.p.A. (savings shares)	6,384				6,384
Exor Group S.A.	102,559			(102,559)	0
Emittenti Titoli S.p.A.	272				272
Deutsche Morgan Grenfell Capital Italy S.A. – Class A shares	191			(55)	136
Deutsche Morgan Grenfell Capital Italy S.A. – Class B shares	3			(1)	2
Total investments	1,841,135	66,943	73,473	(102,615)	1,878,936

The increases, totaling € 66,943 thousand, are due to the purchase of 14,708,160 IFIL ordinary shares on the market (1.42% of the class of stock).

Impairment reversals amount to €73,473 thousand and refer to 138,426,775 IFIL ordinary shares which in 2002 had been written down on the basis of their stock market price. The value of the IFIL ordinary shares has been totally adjusted by the impairment reversal up to the amount of the original cost of purchase. Deferred income taxes were recorded for €3,879 thousand (5.28% of the deductible impairment losses) on the impairment reversals recognized in the income statement.

The decreases amount to € 102,615 thousand and refer to:

- the sale of the entire investment held in Exor Group (3,418,242 shares representing 29.3% of capital stock) to the same Exor Group. The sale was finalized on April 7, 2006 following the resolution passed by the board of directors' meeting on March 31, 2006. Given that the transaction was between related parties, Citigroup Global Markets Limited checked the fairness of the sales price, equal to €206,804 thousand (€60.5 per share). The sale resulted in a gain, net of transaction costs, (€219 thousand) of €104,026 thousand and a significant reduction in debt. On May 4, 2006, Exor Group canceled the treasury stock thus purchased, with a consequent reduction in capital stock.
- the reimbursement of 140 Deutsche Morgan Grenfell Capital Italy Class A shares for proceeds of €72 thousand and a net gain of €41 thousand.

Comparison between the carrying amounts and market prices of listed investments at December 31, 2006:

	Number of shares held	Carrying amount		Market price			
		Per share (€)	Total (€ thds)	December 29, 2006		March 23, 2007	
				Per share (€)	Total (€ thds)	Per share (€)	Total (€ thds)
IFIL S.p.A.							
- ordinary shares	675,200,000	2.77	1,872,142	6.19	4,177,462	7.22	4,876,294
- savings shares	1,866,420	3.42	6,384	4.93	9,192	6.81	12,707
Total			1,878,526		4,186,654		4,889,001

Furthermore:

- there are no investments for which IFI S.p.A. assumed unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by IFI S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 dated July 28, 2006):

	Capital stock			IFI investment				Equity €000	Profit (loss) €000	
	Number of shares	Par value	Amount	Number of shares	% of Cap. st.	Cl. of st.	Carrying amount Per share €			€000
IFIL Investments S.p.A. - Turin										
- ordinary shares	1,038,612,717	€ 1	1,038,612,717	675,200,000	62.75	65.01	2.77	1,872,142	6,222,300 (a)	341,500 (a)
- savings shares	37,383,020	€ 1	37,383,020	1,866,420	0.17	4.99	3.42	6,384		
	1,075,995,737		1,075,995,737					1,878,526		

(a) Data taken from the consolidated financial statements at December 31, 2006.

9. Current assets – Cash and cash equivalents

Details are as follows:

€ in thousands	12/31/2006	12/31/2005	Change
Banks and cash	381	96	285
Time deposits	59,300	-	59,300
Total cash and cash equivalents	59,681	96	59,585

Cash and cash equivalents represent bank accounts in euro repayable on demand and temporary excess cash placed in time deposits with leading credit institutions up to January 29, 2007.

Cash and cash equivalents are in line with their fair value at the end of the year.

The related credit risk can be considered limited since the counterparts are primary national banking institutions.

10. Current assets – Other financial assets

Details are as follows:

€ in thousands	12/31/2006	12/31/2005	Change
Fair value of cash flow hedge derivatives	3,304	1,919	1,385
Commissions for credit lines opened referring to the next year	196	93	103
Total current other financial assets	3,500	2,012	1,488

11. Current assets – Tax receivables

These refer to receivables from the tax authorities for:

€ in thousands	12/31/2006	12/31/2005	Change
Receivables for prior years' taxes, refunds requested	18,382	17,909	473
Receivables for current and prior years' taxes, carried forward	379	1	378
VAT receivable	0	290	(290)
Total tax receivables	18,761	18,200	561

The change in receivables from the tax authorities for the year 2006 is summarized as follows:

€ in thousands	Refunds requested	Carried forward	VAT	Total
Balances at December 31, 2005	17,909	1	290	18,200
Used for compensation of withholdings and VAT payable	0	(1)	(290)	(291)
Withholdings on interest earned during the year		379		379
Interest earned during the year	473			473
Balances at December 31, 2006	18,382	379	0	18,761

12. Equity – Capital stock

At December 31, 2006, IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to €163,251,460 and consists of 86,450,000 ordinary shares and 76,801,460 preferred shares with a par value of €1 each.

The ordinary capital stock of the company is held entirely by **Giovanni Agnelli e C. S.a.p.az.**. IFI's preferred shares are listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).

Pursuant to art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 10% to the legal reserve until it reaches one-fifth of capital stock;
- of the remaining amount, 1% is at the board of directors' disposition for distribution among its members;
- the remaining profit is appropriated as follows:
 - to preferred shares, a preference dividend of 5.17% of their par value, which is not cumulative from one year to the next;
 - after any appropriations to reserves, the residual amount is attributed equally to the ordinary and preferred shares.

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of €561,750,000, by the authority delegated, pursuant to art. 2443 of the Italian Civil Code, to the board of directors by the special stockholders' meeting held April 22, 2003.

13. Equity – Capital reserves

At December 31, 2006, the balance of €386,347 thousand, unchanged compared to the end of the prior year, relates only to additional paid-in capital.

14. Equity – Retained earnings and other reserves

Details are as follows:

€ in thousands	12/31/2006	12/31/2005
Revaluation reserve Law 74, 2/11/1952	157	157
Revaluation reserve Law 576, 12/2/1952	16,940	16,940
Revaluation reserve Law 72, 3/19/1983	64,265	64,265
Legal reserve	32,650	32,650
Extraordinary reserve	829,835	791,248
Cash flow hedge reserve	3,091	1,605
Reserve for purchase of treasury stock	150,000	150,000
Total retained earnings and other reserves	1,096,938	1,056,865

15. Equity reserves available and distributable

The disclosures required by art. 2427, 7 bis of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ in thousands	Balance at 12/31/2006	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	386,347	A,B,C	386,347
Extraordinary reserve	458	A,B,C	458
Earnings reserves:			
Revaluation reserve Law 74, 2/11/1952 (b)	157	A,B,C	157
Revaluation reserve Law 576, 12/2/1952 (b)	16,940	A,B,C	16,940
Revaluation reserve Law 72, 3/19/1983 (b)	64,265	A,B,C	64,265
Cash flow hedge reserve	3,091	B	0
Legal reserve	32,650	B	0
Extraordinary reserve (c)	829,377	A,B,C	758,900
Reserve for purchase of treasury stock	150,000		0
Total	1,483,285		1,227,067
Residual portion distributable			1,227,067

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 Italian Civil Code), the reserve is distributable.
- (b) The revaluation reserves can be used for bonus increases of capital stock. If used to cover losses, they must be later replenished, if not, then no dividends can be distributed. They may not 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 observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.
- (c) The reserve is distributable except to the extent of the amount deriving from the reallocation of the reserve as a contra-entry to stock in portfolio.

In the years 2003, 2004 and 2005, reserves were not used to cover losses.

At December 31, 2006, tax-deferred reserves are recorded for a total of € 83,394 thousand, of which € 81,362 thousand relates to the monetary revaluation reserves and € 2,032 thousand to the legal reserve. 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.

16. Equity – Treasury stock

At December 31, 2006, IFI S.p.A. directly holds the following preferred shares of treasury stock:

€ in thousands	No. of shares	Carrying amount		% of class
		Per share (€)	Total (€ in thousands)	
IFI – preferred shares	5,360,300	13.15	70,477	6.98

There were no transactions involving preferred shares of treasury stock during the year.

17. Current and non-current liabilities – Bank debt

Non-current bank debt amounts to €125,000 thousand (€160,000 thousand at December 31, 2005).

Interest rates swaps are in place to guarantee fixed interest rates on the entire amount; at December 31, 2006, the fair value on these contracts is positive for €2,538 thousand.

Bank debt is classified in non-current in relation to the residual period of the credit line granted and the duration of the relative hedging contracts.

The current portion of bank debt amounts to €35,350 thousand (€104,817 thousand at December 31, 2005) and includes loans for €35,000 thousand and bank overdrafts for the remaining amount (€350 thousand).

Interest rates swaps are also in place to guarantee fixed interest rates for the current portion of bank debt; at December 31, 2006, the fair value on these contracts is positive for €553 thousand.

At December 31, 2006, the company has credit lines for €1,013 thousand, of which €515 thousand is irrevocable.

Credit lines by maturity are as follows:

€ in thousands	Agreed lines	Of which, irrevocable
Within 1 year	528	30
From 2 to 5 years	485	485
Total	1,013	515

The loan contracts relating to irrevocable lines of credit provide for commitments which are common practice in the sector for this type of debt. In particular, some of the main commitments included in certain contracts refer to the obligation of periodic disclosure, not setting up new real guarantees on the goods of the company without the prior consent of the creditors, the non-subordination of the loan, as well as, in some cases, conformity with financial ratios. Finally, there are clauses that could change the duration in the case of serious non-fulfillment such as, for example, failure to pay interest or when extremely serious events arise such as a request to place the company under administration.

18. Non-current liabilities – Deferred tax liabilities

An analysis is as follows:

€ in thousands	Amount	Taxable (16%)	Rate applied	To equity	To income statement	Total
Balance at December 31, 2005						100
2006 accruals on reversals of impairments on IFIL ordinary shares	73,473	11,756	33%	0	3,879	3,879
Balance at December 31, 2006					3,879	3,979

19. Non-current liabilities - Provisions for employee benefits

The composition is as follows:

€ in thousands	12/31/2006	12/31/2005
Employee severance indemnities	1,745	1,593
Other provisions for employees	65	48
Total provisions for employee benefits	1,810	1,641

Details of the changes during 2006 are as follows:

€ in thousands	Balances at 12/31/2005	Accruals	Transfers to other companies	Used	Actuarial gains (losses)	Balances at 12/31/2006
Employee severance indemnities	1,593	272	(10)	(104)	(6)	1,745
Other provisions for employees	48			30	(13)	65
Total	1,641	272	(10)	(74)	(19)	1,810

An analysis of employee benefits is as follows:

Employee severance indemnities

Employee severance indemnities reflect the indemnity payable to employees which accrues over the service life and which is paid upon termination of employment. The indemnity may be paid in advance during the employee's service life if certain conditions are met.

In accordance with IAS 19 – Employee Benefits, IFI S.p.A. includes employee severance indemnities under defined benefit plans and measures them with actuarial techniques, using the Project Unit Credit Method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, IFI S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee severance indemnities which will be paid at the time and in relation to the termination of the employment relationship, at the currently-expected retirement age, on the basis of existing legislation, at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, compared with and in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrue on the amount.

Health care plans

Health care plans are offered to management staff and require the payment of defined contributions to outside funds and entities which offer and pay for health care benefits.

Pension plans

The company's pension plans are for employees categorized as managers and are covered by company agreements and regulations.

They can be "defined benefit" or "defined contribution" plans and provide for the payment of contributions to outside funds that are legally separate and have autonomous assets.

The plans provide for a contribution by the employer and a contribution by the employee plan participant by conferring a part of his/her employee severance indemnity.

The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in "Personnel costs".

Other benefits

Other benefits include loyalty bonuses payable to all employees.

Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2006, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2006	12/31/2005
Discount rate	4.25%	4.00%
Expected remuneration increase	2-3.50%	2-3.50%
Cost-of-living increase	2.00%	2.00%

In addition to the above financial indexes, all the demographic assumptions have also been taken into account relating to the probability of events such as death, disability, dismissal and retirement of the employees.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

The plan assets do not include IFI S.p.A. treasury stock.

The plan assets consist of debt instruments issued by third parties and other investments.

COMMENTS ON THE PRINCIPAL ITEMS IN THE SEPARATE INCOME STATEMENT

20. Dividends from investments

Dividends from investments amount to €54,259 thousand (€55,937 thousand in 2005) and include dividends collected from IFIL (€54,183 thousand) and Emittenti Titoli (€76 thousand). In 2005, dividends included those collected from IFIL (€45,278 thousand), Exor Group (€10,596 thousand) and Emittenti Titoli (€63 thousand).

21. Financial expenses from third parties

These include:

€ in thousands	2006	2005	Change
Interest expenses on bank debt	6,541	6,603	(62)
Interest rate hedging charges on bank loans	255	1,773	(1,518)
Sundry bank commissions	1,081	950	131
Charges from discounting to present value	6	4	2
Total Financial expenses from third parties	7,883	9,330	(1,447)

22. Financial income from third parties

This includes:

€ in thousands	2006	2005	Change
Interest income on receivables from:			
- tax authorities	473	473	0
- banks (temporary deposit of liquidity)	1,403	4	1,399
Interest rate hedging income on bank loans	761	5	756
Other income	14	0	14
Sale of non-current receivables	0	422	(422)
Total financial income from third parties	2,651	904	1,747

23. Personnel costs

These amount to €2,776 thousand (€2,652 thousand in 2005) and show a net increase of €124 thousand.

Details are as follows:

€ in thousands	2006	2005	Change
Salaries	1,762	1,647	115
Social security contributions	531	428	103
Employee severance indemnities, other long-term benefit plans and defined benefit plans	272	240	32
Other personnel costs	211	337	(126)
Total personnel costs	2,776	2,652	124

At the end of 2006, employees number 15 (16 at the end of 2005).

The average number of employees in 2006 was 15, summarized by category as follows:

	2006	2005
Managers	2	2
Management staff	2	2
Clerks	8	9
Messengers	3	3
Average number of employees	15	16

Compensation policies

The total compensation is composed of a fixed and a variable portion, as well as additional benefits for the management staff.

The fixed compensation is connected to the responsibilities of the person's role, the level of individual expertise and the experience acquired; the variable compensation is tied to objectives and rewards the results of the work performed by that person both individually and as in a team.

Further discretionary bonuses may be paid for exemplary performance in operations which create value for the company.

The additional benefits paid to personnel with management responsibilities include supplementary pension plans, health assistance plans, insurance coverage in the case of death and disability, loyalty bonuses and the use of a rented car.

24. Purchases of goods and services from third parties

These amount to € 809 thousand and show a decrease of € 775 thousand compared to 2005 (€ 1,584 thousand). The main expenses refer to the following:

€ in thousands	2006	2005	Change
Consulting	303	1,035	(732)
Compensation:			
- Board of Statutory Auditors	146	146	0
- Supervisory Board	6	6	0
- Common representative of preferred stockholders	3	3	0
- Supplementary contribution	4	8	(4)
	159	163	(4)
Travel and entertainment	19	41	(22)
Bank expenses and fees	16	16	0
Insurance	59	62	(3)
Audit fees	34	47	(13)
Office management and security	131	126	5
Rentals of goods from third parties	19	21	(2)
Raw materials and supplies	17	18	(1)
Maintenance, transport and car insurance	26	24	2
Gifts	7	17	(10)
Other expenses	19	14	5
Total purchases of goods and services from third parties	809	1,584	(775)

25. Other current operating expenses

These total € 950 thousand (€ 613 thousand in 2005).

Details are as follows:

€ in thousands	2006	2005	Change
Sundry taxes and duties	312	(45)	357
Association dues	60	56	4
Securities listing fees	48	34	14
Publications of annual, first-half and quarterly financial statements	64	81	(17)
Notary and corporate charges	41	98	(57)
Donations	358	324	34
Books, newspapers and magazines	25	19	6
Ads	7	10	(3)
Dividends statute-barred	35	36	(1)
Total other current operating expenses	950	613	337

26. Income taxes

The taxable base calculated in accordance with tax laws did not generate any current income tax expenses for the year 2006. Deferred income taxes have been set aside for €3,879 thousand on the impairment reversal on the investment in IFIL. Additional information is provided in Note 18.

Since reasonable certainty of recovery against future taxable income is not assured, no deferred tax assets have been booked on the tax losses for the years 2003 to 2006 (€229 million, in total).

Details are as follows:

€ in millions	Year 2006		Year 2005	
	Temporary differences	Theoretical tax effect (33% rate)	Temporary differences	Theoretical tax effect (33% rate)
Tax losses carried forward (for a maximum of 5 years)				
- year 2003	147		147	
- year 2004	20		20	
- year 2005	33		33	
- year 2006	29		0	
Total tax losses carried forward	229	76	200	66

The following table presents the reconciliation between the pre-tax profit and the taxable income for the computation of Ires taxes (the taxable income for the computation of Irap taxes is negative):

€ in millions	2006	2005
Pre-tax profit	222	37
Increases:		
- temporary differences	0	5
- permanent differences	1	4
- gains on investments deferred in prior years	0	4
Total increases	1	13
Decreases:		
- 95% of dividends collected	(52)	(53)
- reversal of impairment loss on investment in IFIL	(73)	0
- portion of impairment losses on investments deductible over 5 years	(27)	(26)
- gains on investments	(95)	0
- temporary differences	(5)	0
- permanent differences	0	(4)
Total decreases	(252)	(83)
Loss for the year for tax purposes	(29)	(33)

The company has agreed the tax years up to December 31, 2001.

27. Compensation to directors and statutory auditors

(Art. 78 of Consob resolution 11971 dated May 14, 1999 and subsequent amendments)

All amounts in the following table are expressed in thousands of Euro.

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	1/1-12/31	2009	250			2,044 (b)
Teodorani-Fabbri Pio	Vice chairman	1/1-12/31	2009	100			9 (b)
Marrone Virgilio	Chief Executive Officer and General Manager	5/25-12/31	2009	60	16		536 (c) (d)
Acutis Carlo	Director	5/25-12/31	2009				
Agnelli Andrea	Director	5/25-12/31	2009				77 (b)
Brandolini D'Adda Tiberto	Director	5/25-12/31	2009				3,536 (b)
Camerana Oddone	Director	5/25-12/31	2009				
Elkann John	Director	1/1-12/31	2009				591 (b)
Ferrero Ventimiglia Luca	Director	1/1-12/31	2009				
Grande Stevens Franzo	Director	1/1-12/31	2009				12 (b)
Marini Clarelli Francesco	Director	5/25-12/31	2009				
Nasi Andrea	Director	1/1-12/31	2009				
Rattazzi Lupo	Director	1/1-12/31	2009				40 (b)
Total Board of Directors				410	16	0	6,845
Statutory Auditors							
Ferrero Gianluca	Chairman	5/25-12/31	2009				40 (b)
Giorgi Giorgio	Statutory Auditor	1/1-12/31	2009	42			66 (b)
Jona Celesia Lionello	Statutory Auditor	1/1-12/31	2009	42			
Statutory Auditors no longer in office							
Ferrero Cesare		1/1-5/25		62			151 (b)
Total Statutory Auditors				146	0	0	257

(a) The term of office expires in concurrence with the stockholders' meeting that will approve the financial statements for the year ended December 31, 2008.

(b) Compensation for the posts held in companies of the Group.

(c) Employment income paid by IFI S.p.A..

(d) Does not include € 77,000 paid by Fiat not received but collected directly by IFI S.p.A..

There are no key managers with strategic responsibilities in IFI S.p.A..

The company signed a third-party liability insurance policy for the directors with a group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The compensation of executive directors is not linked to either the economic results of the company or targets set by the board of directors.

A part of the compensation of the general manager, however, is tied to the economic results of the company and the reaching of specific targets.

Stock options granted to the directors and the general manager

(Art. 78 of Consob Resolution 11971 dated May 14, 1999 and subsequent amendments)

The board of directors of IFI S.p.A. to date has not approved any stock option plans.

However, under the stock option plans approved by the subsidiaries IFIL S.p.A. and Sequana Capital S.A. options were granted on the shares of these companies to the directors and managers of IFI S.p.A..

The relative information is presented in Note 21 to the consolidated financial statements.

28. Transactions with related parties

The board of directors has adopted principles of conduct for carrying out transactions with related parties which are described in the Annual Report on Corporate Governance available also on the website of the company (<http://www.gruppoifi.com>).

With regard to the year 2006, the transactions between IFI S.p.A. and the related parties identified in accordance with IAS 24 are carried out in accordance with existing laws on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.

Costs have not been recognized during the year for non-existent or doubtful liabilities in relation to amounts due from related parties.

A summary of the balances in the balance sheet and in the income statement generated by the transactions carried out during 2006 with related parties is presented below. All amounts are expressed in thousands of Euro.

Counterpart	Trade receivables	Trade payables
Giovanni Agnelli e C. S.a.p.az.	11	
G.A. Servizi S.r.l.		56
IFIL S.p.A.	13	24
Soiem S.p.A.		104
Companies of the Fiat Group		32
Other companies	62	
Exor Group S.A.	80	
Total transactions with related parties	166	216
Total Current assets	82,610	
Total Current liabilities		37,412
Ratio of total transactions with related parties to the total of the lines in the balance sheet %	0.20%	0.58%

Counterpart	Financial expenses	Purchases of goods and services	Gain	Revenues (d)
Giovanni Agnelli e C. S.a.p.az.	123 (b)			33
G.A. Servizi S.r.l.				
IFIL S.p.A.		68		33
Soiem S.p.A.		405 (c)		
Juventus Football Club S.p.A.		2		6
Companies of the Fiat Group		210		77
Companies of the Alpitour Group		4		
Exor Group S.A.			104,026 (a)	160
Compensation to Corporate Boards and Committees (e)				
- Chairman		250		
- Chief Executive Officer		60		
- Vice Chairman, for special mandates		100		
Directors for services rendered				64
Total transactions with related parties	123	1,099		373
Total transactions with third parties	7,883	809		350
Total of lines on income statement	8,006	1,908		723
Ratio of total transactions with related parties to the total of the lines on the income statement %				
	1.54%	57.60%		51.59%

The most important transactions are commented below with reference to the notes in this and in the preceding table.

- On April 7, 2006, following the resolution passed by the board of directors' meeting on March 31, 2006, IFI S.p.A. sold the entire investment held in Exor Group (3,418,242 shares representing 29.3% of capital stock) to the same Exor Group. Given that the transaction was between related parties, Citigroup Global Markets Limited checked the fairness of the sales price, equal to € 206,804 thousand (€ 60.5 per share). The sale resulted in a gain, net of transaction costs, of € 104,026 thousand and a significant reduction in debt.
- In April 2006, IFI repaid the loan secured from the parent, Giovanni Agnelli e C. S.a.p.az., at market rates. The interest charged to that date amounted to € 123 thousand.
- Purchases of goods and services from the subsidiary Soiem S.p.A. amounting to € 405 thousand relate to the lease of the offices of the headquarters in Turin, Corso Matteotti 26, and computer, telephone and logistics services.
- Revenues from Group companies derive from the performance of services and compensation for posts held by IFI S.p.A. staff.
- Compensation to the corporate boards in 2006 amounts to € 413 thousand. The disclosure required by art. 78 of Consob Resolution 11971, amended by resolution 15520 of July 2006, is provided in the preceding Note 27.

Information regarding dividends collected from related parties (€ 54,183 thousand), described in Note 20, represents 23% of the net amount of income from investments.

Moreover, during 2006, the director, Franzo Grande Stevens, rendered professional services to Fiat S.p.A. for € 1,136 thousand (including activities performed in his capacity as secretary to the board of directors).

29. Net financial position

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of the IFI S.p.A. is provided below:

€ in thousands	12/31/2006	12/31/2005	Change
Non-current financial receivables:			
- from third parties	361	127	234
Cash and cash equivalents	59,681	96	59,585
Current financial receivables:			
- from Group companies	0	0	0
- from third parties	3,500	2,012	1,488
Non-current debt:			
- with Group companies	0	0	0
- with third parties	(125,000)	(160,000)	35,000
Current debt:			
- with Group companies	0	(13,867)	13,867
- with third parties	(36,153)	(106,059)	69,906
Net financial position	(97,611)	(277,691)	180,080
- with Group companies	0	(13,867)	13,867
- with third parties	(97,611)	(263,824)	166,213

30. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2006 were approved by the board of directors on March 30, 2007 which authorized their publication on March 31, 2007.

Turin, March 30, 2007

For the Board of Directors
Vice Chairman (Vicario)
John Elkann

APPENDIX - TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) BY IFI S.p.A.

1. General Information

Starting from January 1, 2006, pursuant to article 4 of Legislative Decree 38 dated February 28, 2005, IFI S.p.A. adopted International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and endorsed by the European Union for the preparation of its separate financial statements (previously referred to as statutory financial statements). The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretation Committee ("SIC").

IFI S.p.A. therefore presents its financial statements at December 31, 2006 compared to those at December 31, 2005 prepared in accordance with IFRS.

2. Reconciliations required by IFRS 1

As required by IFRS 1 – First-time Adoption of International Financial Reporting Standards, this Appendix describes the policies adopted in the preparation of the IFRS opening balance sheet at January 1, 2005, the main differences with Italian GAAP used in the preparation of the financial statements up to December 31, 2005, as well as the reconciliations between the figures already published, prepared in accordance with Italian GAAP, and the corresponding figures re-measured in accordance with IFRS.

The 2005 balance sheet and income statement have been prepared in accordance with IFRS 1, based on IFRS applicable on December 31, 2005.

3. First-time Adoption of IFRS

General principle

IFI S.p.A., pursuant to IFRS 1, has applied the accounting standards in force at December 31, 2005 retrospectively to the opening balance sheet at January 1, 2005 prepared in accordance with IFRS except for the optional exemptions elected by the company under IFRS 1, described below. Having adopted IFRS for its separate financial statements subsequent to IFRS adoption for the consolidated financial statements (which presented an opening balance sheet at January 1, 2004), IFI S.p.A. recognized the assets and liabilities according to IFRS at the same amounts in both financial statements (separate and consolidated), except for items that were adjusted on consolidation.

The 2005 financial statements presented herein constitute the figures published for comparative purposes in the separate financial statements at December 31, 2006.

The opening balance sheet at January 1, 2005 reflects the following differences as compared to the separate Italian GAAP financial statements at December 31, 2004:

- all assets and liabilities qualifying for recognition under IFRS, including assets and liabilities that were not recognized under Italian GAAP, have been recognized and measured in accordance with IFRS;
- all assets and liabilities recognized under Italian GAAP that do not qualify for recognition under IFRS have been eliminated;
- certain balance sheet items have been reclassified in accordance with IFRS.

The effects of these adjustments have been recognized directly in opening equity at January 1, 2005, the date of the first-time adoption of IFRS.

Optional exemptions elected by IFI S.p.A.

In accordance with the exemption allowed by IFRS 1, IFI S.p.A. has elected to measure the assets and liabilities at the date of transition (January 1, 2005) at the same amounts used in the preparation of the Group's consolidated financial statements at December 31, 2004. In particular:

- *Employee Benefits*: IFI S.p.A. elected to recognize all cumulative actuarial gains and losses at January 1, 2004 on the date of transition to IFRS. To determine pension costs, starting from 2005, IFI S.p.A. adopted, retroactively, the immediate recognition of actuarial gains and losses directly in equity, in accordance with the amendment to IAS 19 of December 16, 2004.
- *Business Combinations*: IFI S.p.A. elected not to apply IFRS 3 – Business Combinations, retrospectively to the business combinations which occurred before the date of transition to IFRS.

IFI S.p.A.
RECONCILIATION OF THE BALANCE SHEET AT JANUARY 1, 2005
(DATE OF TRANSITION TO IFRS)

(€ in thousands)	Fin. Stmts 12/31/2004 Italian GAAP	IFRS reclassifications	IFRS adjustments	Fin. Stmts 1/1/2005 IFRS	IFRS
					Non-current assets
Investments	1,779,457	(200)		1,779,257	Investments accounted for at cost
Intangible assets	6			6	Intangible assets
Other receivables	8,178	(4,000)		4,178	Other receivables
Treasury stock	70,477	(70,477)		0	
Total Fixed assets	1,858,118	(74,677)	0	1,783,441	Total Non-current assets
					Current assets
Cash and banks	79			79	Cash and cash equivalents
Receivables from subsidiaries	289	(289)		0	
Receivables from associated companies	100	(100)		0	
Receivables from parent companies	10	(10)		0	
Tax receivables	17,807			17,807	Tax receivables
				399	Trade receivables from related parties
Other receivables	840	58		898	Other receivables
Prepaid expenses	58	(58)		0	
	19,183	0	0	19,183	Total Current assets
Total Assets	1,877,301	(74,677)	0	1,802,624	Total Assets
					Equity
Stockholders' equity					
Capital stock	163,251			163,251	Capital stock
Additional paid-in capital	386,347			386,347	Capital reserves
Retained earnings and other reserves	1,017,394		(1,825)	1,015,569	Retained earnings and other reserves
Treasury stock	0	(70,477)		(70,477)	Treasury stock
Net income for the year	37,707		(38)	37,669	Profit for the year
Total Stockholders' equity	1,604,699	(70,477)	(1,863)	1,532,359	Total Equity
					Non-current liabilities
Bank borrowings due beyond one year	30,000			30,000	Bank debt
Deferred income taxes	1,504			1,504	Deferred tax liabilities
Other liabilities and reserves	4,200	(4,200)		0	
Reserve for employee severance indemnities	1,496		(93)	1,403	Provisions for employee benefits
Social security payable due beyond one year	254		(16)	238	Other payables
	37,454	(4,200)	(109)	33,145	Total Non-current liabilities
					Current liabilities
Payables					
Bank borrowings due within one year	208,456			208,456	Bank debt
Payables to subsidiaries	192	(192)		0	
Payables to parent companies	24,189	(24,189)		0	
				24,186	Debt with related parties
			1,184	1,972	Other financial liabilities
			195	195	Trade payables to related parties
Trade accounts payables	166			166	Trade payables to third parties
Tax payables	133			133	Tax payables
Social security payable due within one year	323	(323)		0	
Other payables due within one year	505	323		828	Other payables
Total payables	233,964	1,184	1,972	237,120	Total Current liabilities
Accrued expenses	1,184	(1,184)		0	
Total Liabilities and stockholders' equity	1,877,301	(74,677)	0	1,802,624	Total Equity and liabilities

IFI S.p.A.
RECONCILIATION OF EQUITY AT JANUARY 1, 2005

(€ in thousands)	
Stockholders' equity at December 31, 2004 (Italian GAAP)	1,604,699
Reclassification of the carrying amount of treasury stock held directly	(70,477) a.
IFRS adjustments	
IAS 39 - Measurement of instruments used to hedge interest rate risk	(1,972) b.
IAS 19 - Employee benefits	93
IAS 39 - Discounting of INPS payable to present value	16
	(1,863)
Equity at January 1, 2005 (IFRS)	1,532,359

- a. The reclassification reduces equity by the carrying amount of preferred treasury stock previously recorded under financial assets.
- b. The negative adjustment of € 1,972 thousand represents the effect of the measurement of derivative instruments used to hedge interest rate risks (IRS) on bank debt (€ 160 million).

IFI S.p.A.
RECONCILIATION OF THE BALANCE SHEET AT DECEMBER 31, 2005

(€ in thousands)	Fin. Stmts 12/31/2005 Italian GAAP	IFRS reclassificat ions	IFRS adjustme nts	Fin. Stmts 12/31/2005 IFRS	IFRS
					Non-current assets
Investments	1,841,334	(200)		1,841,134	Investments accounted for at cost
		127		127	Other financial assets
Intangible assets	3			3	Intangible assets
Tangible assets	13			13	Property, plant and equipment
Treasury stock	70,477	(70,477)		0	
Total fixed assets	1,911,827	(70,550)	0	1,841,277	Total Non-current assets
					Current assets
Cash and banks	96			96	Cash and cash equivalents
		98	1,914	2,012	Other financial assets
Receivables from subsidiaries	14	(14)		0	
Receivables from associated companies	90	(90)		0	
Receivables from parent companies	10	(10)		0	
Tax receivables	18,200			18,200	Tax receivables
		217		217	Trade receivables from related parties
Other receivables	706	(54)	(1)	651	Other receivables
Accrued income and prepaid expenses	274	(274)		0	
	19,390	(127)	1,913	21,176	Total Current assets
Total assets	1,931,217	(70,677)	1,913	1,862,453	Total Assets
					Equity
Stockholders' equity					Capital stock
Capital stock	163,251			163,251	Capital reserves
Additional paid-in capital	386,347			386,347	Retained earnings and other reserves
Retained earnings and other reserves	1,055,137		1,728	1,056,865	Treasury stock
Treasury stock	0	(70,477)		(70,477)	Profit for the year
Net income for the year	38,535		(45)	38,490	
Total Stockholders' equity	1,643,270	(70,477)	1,683	1,574,476	Total Equity
					Non-current liabilities
Bank borrowings due beyond one year	160,000			160,000	Bank debt
Deferred income taxes	100			100	Deferred tax liabilities
Other liabilities and reserves	200	(200)		0	
Reserve for employee severance indemnities	1,712		(70)	1,642	Provisions for employee benefits
Social security payable due beyond one year	117		(9)	108	Other payables
	162,129	(200)	(79)	161,850	Total Non-current liabilities
					Current liabilities
Payables					Bank debt
Bank borrowings due within one year	104,817			104,817	
Payables to subsidiaries	172	(172)		0	Debt with related parties
Payables to parent companies	13,868	(13,868)		0	Other financial liabilities
		13,868	309	13,868	Trade payables to related parties
		880		1,189	Trade payables to third parties
		5,172		5,172	Tax payables
Trade accounts payables	182			182	Other payables
Tax payables	160			160	
Social security payable due within one year	284	(284)		0	
Other payables due within one year	5,455	(4,716)		739	
Total payables	124,938	880	309	126,127	Total Current liabilities
Accrued expenses	880	(880)		0	
Total Liabilities	1,931,217	(70,677)	1,913	1,862,453	Total Equity and liabilities

IFI S.p.A.
RECONCILIATION OF EQUITY AT DECEMBER 31, 2005

(€ in thousands)	
Stockholders' equity at December 31, 2005 (Italian GAAP)	1,643,270
Reclassification of the carrying amount of treasury stock held directly	(70,477) a.
IFRS adjustments	
IAS 39 - Measurement of instruments used to hedge interest rate risk	1,603 b.
IAS 19 - Employee benefits	71
IAS 39 - Discounting of INPS payable to present value	9
	1,683
Equity at December 31, 2005 (IFRS)	1,574,476

- a. The reclassification reduces equity by the carrying amount of preferred treasury stock previously recorded under financial assets.
- b. The negative adjustment of € 1,603 thousand represents the effect of the measurement of derivative instruments used to hedge interest rate risks (IRS) on bank debt (€ 170 million).

IFI S.p.A.
RECONCILIATION OF THE INCOME STATEMENT FOR THE YEAR ENDED
DECEMBER 31, 2005

(€in thousands)	Year ended 12/31/2005 Italian GAAP	IFRS reclassifications	IFRS adjustments	Year ended 12/31/2005 IFRS	IFRS
Financial income (expenses)					Investment income (charges)
Dividends	55,937			55,937	Dividends from investments
Gains on the disposal of investments	1			1	Gains on sales of investments
	55,938	0	0	55,938	Net investment income
					Financial income (expenses)
Interest and financial expenses	(9,991)	662		(9,329)	Financial expenses from third parties
		(662)		(662)	Financial expenses from related parties
Financial income from others	904			904	Financial income from third parties
	(9,087)	0	0	(9,087)	Net financial expenses
					Net general expenses
Personnel costs	(2,513)	(94)	(45)	(2,652)	Personnel costs
Services costs	(7,317)	5,733		(1,584)	Purchases of goods and services from third parties
		(985)		(985)	Purchases of goods and services from related parties
Other operating expenses	(596)	(17)		(613)	Other current operating expenses
Leases and rentals	(347)	347		0	
Amortization, depreciation and w ritedow ns	(7)			(7)	Depreciation and amortization
Purchases of consumables	(36)	36		0	
	(10,816)	5,020	(45)	(5,841)	
Revenues from services	1,037	(358)		679	Revenues from third parties
		397		397	Revenues from related parties
	(9,779)	5,059	(45)	(4,765)	Net general expenses
					Other non-current expenses
		(5,000)		(5,000)	Other non-current expenses from related parties
Extraordinary income (expenses)	59	(59)		0	
	59	(5,059)	0	(5,000)	Other non-current expenses
Income before taxes	37,131	0	(45)	37,086	Profit before income taxes
Income taxes, current and deferred	1,404			1,404	Income taxes
Net income for the year	38,535	0	(45)	38,490	Profit for the year

IFI S.p.A.
RECONCILIATION OF PROFIT FOR THE YEAR ENDED DECEMBER 31, 2005

<hr/>	
(€ in thousands)	
<hr/>	
Net income for the year ended December 31, 2005 (Italian GAAP)	38,535
<hr/>	
IFRS adjustments	
IAS 19 - Employee benefits	(45)
<hr/>	
Profit for the year ended December 31, 2005 (IFRS)	38,490
<hr/>	

IFI
Istituto Finanziario Industriale

Annual Report 2006

Consolidated financial statements of the IFI Group
at December 31, 2006

CONSOLIDATED BALANCE SHEET

€ in millions	Note	12/31/2006	12/31/2005	Change
Non-current assets				
Goodwill	11	760	814	(54)
Other intangible assets	12	188	243	(55)
Property, plant and equipment	13	845	939	(94)
Investments accounted for by the equity method	14	2,619	3,165	(546)
Other financial assets	15	2,673	1,524	1,149
Deferred tax assets	30	49	68	(19)
Other non-current assets	17	55	33	22
Total Non-current assets		7,189	6,786	403
Current assets				
Inventories	16	540	554	(14)
Trade receivables	17	938	1,029	(91)
Other receivables	17	281	317	(36)
Financial assets	15	1,109	1,173	(64)
Cash and cash equivalents	18	362	595	(233)
Total Current assets		3,230	3,668	(438)
Assets held for sale	19	128	25	103
Total Assets		10,547	10,479 ^(a)	68
Equity				
Equity attributable to the equity holders of the company	20	3,800	3,084	716
Equity attributable to the minority interest	23	2,900	2,994	(94)
Total Equity		6,700	6,078	622
Non-current liabilities				
Provisions for employee benefits	24	137	172	(35)
Provisions for other liabilities and charges	25	250	491	(241)
Bonds and other debt	28	777	920	(143)
Deferred tax liabilities	30	102	95	7
Other non-current liabilities	31	57	57	0
Total Non-current liabilities		1,323	1,735	(412)
Current liabilities				
Provisions for employee benefits	24	7	12	(5)
Provisions for other liabilities and charges	25	283	36	247
Bonds and other debt	28	747	1,155	(408)
Trade payables	31	927	982	(55)
Other current liabilities	31	528	481	47
Total Current liabilities		2,492	2,666	(174)
Liabilities relating to assets held for sale	19	32	0	32
Total Equity and liabilities		10,547	10,479 ^(a)	68

(a) Certain items in the balance sheet have been reclassified since publication of the 2005 consolidated financial statements which increased both assets and liabilities by €3 million.

CONSOLIDATED INCOME STATEMENT

€ in millions	Note	2006	2005 (a)	Change
Revenues	39	5,534	5,429	105
Other revenues from current operations	32	111	38	73
Purchases of raw materials and changes in inventories		(3,632)	(3,436)	(196)
Personnel costs	33	(925)	(927)	2
Costs for external services		(748)	(741)	(7)
Taxes and duties		(43)	(45)	2
Depreciation and amortization		(157)	(191)	34
Accruals to provisions and other expenses from current operations		(72)	(63)	(9)
Profit from current operations		68	64	4
Other nonrecurring income (expenses)	34	(62)	(202)	140
Operating profit (loss)		6	(138)	144
Gain (losses) on the sale of investments		58	4	54
Cost of net debt		(36)	(54)	18
Other financial income (expenses)		72	52	20
Financial income (expenses)	35	94	2	92
Income taxes	36	(52)	(46)	(6)
Profit (loss) of companies consolidated line-by-line		48	(182)	230
Share of the profit (loss) of companies accounted for by the equity method	37	352	448	(96)
Profit from continuing operations		400	266	134
Profit from discontinued operations or assets held for sale	38	0	1,007	(1,007)
Profit		400	1,273	(873)
Profit attributable to the equity holders of the company		221	676	(455)
Profit attributable to the minority interest (A)		179	597	(418)
Net gain on the sale of the investment in SGS attributable to the minority interest (B)	4	396	0	396
Total profit attributable to the minority interest (A)+(B)		575	597	(22)
<hr/>				
Basic earnings attributable to the equity holders of the company (€):				
- per ordinary share		1.38	4.26	(2.88)
- per preferred share		1.43	4.31	(2.88)
<hr/>				
Basic earnings from continuing operations (€):				
- per ordinary share		1.38	1.29	0.09
- per preferred share		1.43	1.34	0.09

(a) Certain items in the income statement have been reclassified since publication of the 2005 consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in millions	Capital stock	Treasury stock	Capital reserves	Retained earnings and other reserves	Profit for the year	Equity attributable to equity holders of the company	Equity attributable to the minority interest	Total equity
Equity at January 1, 2005	163	(70)	386	1,524	120	2,123	2,317	4,440
Dividends paid out						0	(48)	(48)
Stock-based compensation				3		3	3	6
Effect of fair value change to investments and securities				157		157	97	254
Fair value change to cash flow hedge instruments				1		1	(2)	(1)
Actuarial gains (losses) recognized directly in equity				(47)		(47)	(39)	(86)
Translation differences				175		175	142	317
Change in scope of consolidation						0	(74)	(74)
Other changes				(4)		(4)	1	(3)
Profit for the year					676	676	597	1,273
Movements in equity accounts				120	(120)	0		0
Changes	0	0	0	405	556	961	677	1,638
Equity at December 31, 2005	163	(70)	386	1,929	676	3,084	2,994	6,078
Stock-based compensation				3		3	2	5
Capital stock transactions						0	(754)	(754)
Dividends paid out						0	(197)	(197)
Effect of fair value change to investments and securities				594		594	322	916
Deferred taxes on fair value change to investments and securities				(28)		(28)	(13)	(41)
Transfer of fair value to income statement				(2)		(2)	(1)	(3)
Fair value change to cash flow hedge instruments				17		17	7	24
Actuarial gains (losses) recognized directly in equity				23		23	15	38
Translation differences				(86)		(86)	(58)	(144)
Change in scope of consolidation						0	19	19
Other changes				(26)		(26)	(10)	(36)
Profit for the year					221	221	574	795
Movements in equity accounts				676	(676)	0		0
Changes	0	0	0	1,171	(455)	716	(94)	622
Equity at December 31, 2006	163	(70)	386	3,100	221	3,800	2,900	6,700
Note	20	20		20			23	

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES

€ in millions	2006	2005
Gains (losses) recognized directly in the cash flow hedge reserve	24	(1)
Gains (losses) recognized directly in the reserve for fair value adjustments of investments and securities	916	254
Deferred taxes on fair value change to investments and securities	(41)	0
Transfer of fair value to income statement	(3)	0
Gains (losses) recognized directly in the reserve of translation differences	(144)	317
Actuarial gains (losses) recognized directly in equity	38	(86)
Income (expenses) recognized directly in equity	790	484
Profit attributable to the equity holders of the company and the minority interest	795	1,273
Total recognized income (expenses)	1,585	1,757
Recognized income (expenses) attributable to the equity holders of the company	739	962
Recognized income (expenses) attributable to the minority interest	846	795

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in millions	Note	2006	2005
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit attributable to the equity holders of the company and the minority interest		400	1,273
Elimination of income and expenses not affecting cash:			
Share of the profit (loss) of companies accounted for by the equity method		(290)	(390)
Share of profit of SGS		(62)	(58)
Depreciation, amortization, impairments and accruals		212	382
Gains (losses) on disposals	10	(53)	(974)
Other		(52)	(67)
Current and deferred income taxes		52	46
Dividends received from investments		93	58
Income taxes paid		(20)	(24)
Change in working capital		(126)	188
NET CASH FLOWS FROM OPERATING ACTIVITIES		154	434
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets		(195)	(175)
Proceeds from disposal of property, plant and equipment and intangible assets		194	78
Purchases of non-current financial assets		(177) (a)	(1,268)
Proceeds from disposal of non-current financial assets	10	463	918
Change in scope of consolidation	10	(17)	420
Effect of assets held for sale	10	0	(54)
Other flows provided by investing activities		96	211
CASH FLOWS FROM INVESTING ACTIVITIES		364	130
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid by consolidated companies to minority stockholders		(198)	(48)
Capital increase from the exercise of stock options		13	7
New loans secured		236	640
Repayment of loans		(731)	(915)
Net effect of securitization of trade receivables		9	0
Other flows provided by (used for) financing activities		(55)	(136)
CASH FLOWS USED IN FINANCING ACTIVITIES		(726)	(452)
EFFECT OF CHANGE IN FOREIGN CURRENCIES		(9)	17
NET INCREASE (DECREASE) IN CASH FLOWS		(217)	129
CASH AND CASH EQUIVALENTS, AT START OF THE YEAR		472	343
CASH AND CASH EQUIVALENTS, AT END OF THE YEAR		255	472
NET INCREASE (DECREASE) IN CASH FLOWS		(217)	129

(a) Including €63 million for the purchase of Fiat ordinary stock, €67 million for the purchase of IFIL ordinary stock and €47 million for the purchase of Gruppo Banca Leonardo stock.

The reconciliation between cash and cash equivalents in the statement of cash flows and the corresponding line in the balance sheet is presented in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

IFI – Istituto Finanziario Industriale S.p.A. (abbreviated in **IFI S.p.A.**) is a corporation organized under the laws of the Republic of Italy.

The head office is located in Turin, Italy, Corso Matteotti 26.

The ordinary capital stock of the company is held entirely by **Giovanni Agnelli e C. S.a.p.az.** IFI S.p.A. preferred stock is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).

The assets of the company are represented by its controlling investment in **IFIL Investments S.p.A.**, for 66.23% of ordinary capital stock.

Additional information is presented in the section “IFI Group Profile” of the Directors' Report on Operations.

The consolidated financial statements are presented in Euro, the Group's functional currency.

2. Basis of presentation of the consolidated financial statements

The consolidated financial statements at December 31, 2006 of the IFI Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission. The designation “IFRS” also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The consolidated financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 and in Communication 6064293 dated July 28, 2006, in accordance with art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

The consolidated financial statements of the IFI Group are expressed in millions of Euro.

3. Format of the consolidated financial statements and other information

The IFI Group presents a consolidated income statement using a classification based on the nature of expenses as this is believed to provide information that is more relevant than one based on the function of expenses as presented by the operating companies consolidated line-by-line.

For the consolidated balance sheet, a format has been selected to present current and non-current assets and liabilities.

The consolidated statement of changes in equity shows comprehensive income and expenses in a specific section for income and expenses recognized directly in the reserves.

For the consolidated statement of cash flows, the indirect method has been selected.

Transactions with related parties are not significant in amount and are therefore not presented separately in the financial statement formats. They are, however, disclosed in Note 40 to the financial statements.

4. Unusual and/or atypical transactions and nonrecurring events and significant transactions

In 2006, there are no significant unusual and/or atypical transactions, also on the basis of information received from the companies of the Group, that are required to be disclosed pursuant to Consob Communication 6064293 dated July 28, 2006.

With regard to significant nonrecurring events and transactions, the following is noted.

IFI S.p.A. - Consob sanctionary measure

On February 13, 2007, the meeting of the board of directors of the company, which was presided over by the vice chairman (vicario) John Elkann, was notified of the Consob sanctionary measure against Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone with regard to the contents of the press releases dated August 24, 2005 released by IFIL Investments S.p.A. and Giovanni Agnelli e C. S.a.p.az..

The board of directors of IFI S.p.A., which did not take part owing to the reference to some of its members, expressed its full support to the above persons.

Additional information is provided in the comments on the operating performance of IFIL Investments S.p.A..

Public Exchange and Purchase Offer launched by Sequana Capital

On September 6, 2006, Sequana Capital launched the Public Exchange Offering of a maximum of 57,646,980 Sequana Capital shares in exchange for a maximum of 1,859,580 SGS shares held by Sequana Capital itself, in a ratio of 1 SGS share for every 31 Sequana Capital shares tendered in the Offering.

Alternatively, the stockholders could have chosen to tender their shares to the Public Purchase Offering and receive the price of €21 in cash for each Sequana Capital share sold to the company.

The offering was concluded with 57,521,414 shares tendered to the Exchange Offering and 125,566 shares to the Purchase Offering. Sequana Capital therefore sold 1,855,529 SGS shares, of which 1,029,456 shares were sold to the parent Ifil Investissements at the price of CHF 1.320 per share at the CHF/Euro exchange rate equal to 1.5882, realizing a gain net of income taxes of €889 million.

The Sequana Capital shares contributed were canceled with a consequent reduction in capital stock.

In the IFIL consolidated financial statements, the investment in SGS S.A., before the elimination of the net gain of €493 million realized by Sequana Capital on the sale of 13.16% of SGS capital stock to Ifil Investissements, was aligned with the carrying amount which it had in the consolidated financial statements of the Sequana Capital Group before the Public Exchange and Purchase Offering, equal to €361.6 million, and was classified in "investments available-for-sale". At December 31, 2006, the investment was therefore measured at fair value on the basis of the stock market price at the end of the year, recording an unrealized gain (€508.4 million) in equity.

The remaining net gain of €396 million is entirely attributable to the minority interest and is shown separately at the bottom of the income statement.

5. Basis of consolidation

Criteria used in determining the scope of consolidation

The companies in which the IFI Group has the power to exercise control, directly or indirectly, by determining the financial and operating policies of an enterprise so as to gain benefits from its activities are consolidated line-by-line, with the minority stockholders being attributed their interests in the equity and profit.

Pending an opinion by the IASB, which has also recently been requested by the European Commission by letter dated October 26, 2006, that will definitively clarify the

criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the IFI Group has continued to exclude the Fiat Group, in which the subsidiary IFIL has a 30.45% holding of ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005. However, in order to provide more meaningful disclosure, Note 44 presents the consolidated proforma data as if the Fiat Group had been consolidated line-by-line.

Subsidiaries either dormant or generating an insignificant effect on the total of the Group's assets, liabilities, financial position and earnings are also excluded from the scope of consolidation.

Subsidiaries excluded from consolidation, subsidiaries jointly controlled with other stockholders, associates and investments in other companies are accounted for as described under "Other non-current financial assets".

Consolidation procedures

The financial statements of subsidiaries as defined above are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The results of discontinued operations or assets held for sale which meet the specific requirements of IFRS 5 are shown separately and correspond to the results achieved up to the time of disposal, after taxes and other direct attributable costs, as well as the gains (losses) on their sale.

Assets and liabilities, and revenues and expenses, of subsidiaries consolidated on a line-by-line basis are included in full in the consolidated financial statements of the Group; the carrying amounts of investments are eliminated against the subsidiaries' related equity, attributing to the identifiable assets and liabilities the fair value at the date of the acquisition of control. Any residual difference, if positive, is recognized in assets in "goodwill" or, if negative, in the income statement.

The share of the equity and the results of operations attributable to the minority interest is disclosed separately. The minority interest in equity is determined on the basis of the amounts attributed to the assets and liabilities at the date of the acquisition of control, excluding any goodwill referring to them.

When losses in a consolidated subsidiary pertaining to the minority stockholders exceed the minority interest in the subsidiary's 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 profits be realized in the future, the minority interests' share of those profits will be attributed to the Group, up to the amount necessary to recover the losses previously absorbed by the Group.

The effects of subscribing to capital stock increases when there are different issue prices for the various classes of stock are recognized as changes in equity.

Date of reference

Investments are consolidated using the financial statements at December 31, the closing date of the parent, which covers a 12-month period, or accounting data prepared as of the same date (when the closing date differs from that of the parent), adjusted, where necessary, to conform with the accounting principles of the Group. The Alpitour Group, whose fiscal year ends on October 31, is consolidated line-by-line, since it is impossible to obtain the consolidated accounting data at December 31, on a timely basis without disproportionate expense. Between November 1 and December 31, 2005 and 2006, there were no significant transactions or events which would have required adjustments

to the consolidated financial statements of the Alpitour Group. This treatment is allowed by IAS 27 – Consolidated and Separate Financial Statements.

Intragroup transactions

Intragroup balances and significant transactions and any unrealized gains and losses between companies consolidated line-by-line are eliminated. Unrealized gains and losses arising from transactions with companies accounted for by the equity method are eliminated to the extent of the Group's interest in those companies.

Intragroup losses are not eliminated if they are considered representative of an effective lower value of the asset sold.

Consolidation of foreign entities

All assets and liabilities of foreign companies that are consolidated having a functional currency other than the Euro are translated using the exchange rates in effect at the balance sheet date (the current method). Income and expenses in the income statement and cash flows in the statement of cash flows are translated at the average exchange rate for the year. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are recorded in the relevant foreign currency and are translated using the period-end exchange rate.

6. Significant accounting policies

Intangible assets

Goodwill. In the case of acquisitions of businesses, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value at the date of acquisition.

Any excess of the cost of the business combination over the Group's interest in the fair value of those assets and liabilities is classified as goodwill and recorded in the financial statements as an intangible asset. If this difference is negative, it is recognized in the income statement at the time of acquisition.

Goodwill is not amortized, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with IAS 36 – Impairment of Assets. Goodwill is allocated to cash generating units or groups of cash-generating units representing the operating level at which the Group controls the rate of return of the investments.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Reversal of any impairment loss for goodwill is not permitted.

On disposal of a part or the whole of a business which was previously acquired and which gave rise to the recognition of goodwill, the residual amount of the related goodwill is included in the determination of the gain or loss on disposal.

In the context of IFRS First-time Adoption, the Group elected not to apply IFRS 3 – Business Combinations retrospectively to the business combinations that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to being tested for impairment at that date.

Other intangible assets: purchased or internally-generated are recognized as assets in accordance with IAS 38 – Intangible Assets (when they are controlled by the enterprise), where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Revaluations are not permitted even if allowed by specific laws.

Such assets are measured at purchase or manufacturing cost and amortized systematically on a straight-line basis over their estimated useful lives, if these assets have finite useful lives, taking into account estimated realizable value. Intangible assets with indefinite useful lives and those not yet in production are not amortized, but tested for impairment annually and more frequently, whenever there is an indication that the asset may be impaired. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to the new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized immediately in the income statement.

Other intangible assets acquired as part of a business are capitalized separately from goodwill if their fair value can be measured reliably.

Amortization plans and any realizable value are reviewed at least annually.

Greenhouse gas emission rights: in the absence of specific IFRS standards and IFRIC interpretations, the Sequana Capital Group has applied, on a temporary basis, the following accounting treatment which provides for:

- initial accounting: the rights (allowances) attributed, measured at the market price at the date of issue, are accounted for as “other intangible assets” with a contra-entry to deferred income classified under “other payables”;
- afterwards: the deferred income is credited to the income statement on a straight-line basis over the period of reference. Moreover, a liability is recognized corresponding to the quantity of allowances to be delivered with a contra-entry to a cost representing the gas emissions. This liability is measured at the initial amount of the allowances issued or purchased and, depending on the case, at the market value of the allowances to be delivered which exceeds those held at the balance sheet date;
- delivery of the allowances relating to the emissions during the period: at the effective date of delivery, the intangible assets and the related liability are eliminated from the balance sheet;
- sales of allowances: the gains or losses arising from the sales of allowances are recognized in the income statement under “other nonrecurring income and expenses”.

The excess allowances recognized in the assets are tested for impairment annually, or more frequently, if there are indications that they may be impaired.

Players' registration rights: are recognized at time-discounted cost, including any additional costs.

Players' registration rights are amortized on a straight-line basis over the period of the contracts signed with the individual professional players. The original amortization plan may be extended as a result of the early renewal of a contract, starting from the season in which the renewal takes place. For soccer players registered as “*giovani di serie*” (youth players), costs are amortized over five years using the straight-line method.

Players' registration rights are recorded on the date on which the contracts are ratified by the Lega Nazionale Professionisti for national transfers and on the “transfer” date indicated by the Italian Soccer Federation – F.I.G.C. for international transfers.

Player sharing receivables and payables ex. art 102 bis of the N.O.I.F (Internal Organizational Rules issued by the Italian Soccer Federation – F.I.G.C.) are also recorded in players' registration rights.

Player sharing receivables, which represent the value of the simultaneous re-acquisition of 50% of registration rights of the players transferred, are recorded at the adjusted cost and are amortized net of any residual value estimated at the end of its useful life. In the event that the residual value is equal to or higher than the historic value recorded, the amortization is zero. The adjusted cost is the lower of the cost borne according to the legal format agreed between the parties and the actual value of the re-acquisition.

Player sharing liabilities, which represent 50% of the value at which the player sharing rights were sold are recorded at the nominal value, but are deducted from the value of the registration rights of the player for which sharing rights have been disposed of, in order to represent the acquisition actually made. Due to this, the amortization of the registration right disposed of under the player sharing agreement is calculated on the lower cost thus determined.

In the presence of indicators of the loss of value of players' registration rights (impairment indicators), an evaluation is made for purposes of the impairment test that takes into account the following factors:

- direct execution by the company directors who, at their discretion, may be assisted by an external expert to support them in identifying the objective parameters to be used for the valuation of the value of players' registration rights (e.g. role and ages of the player, analysis of the values of players' transfers in the most recent transfer campaigns, call up to the national team etc.);
- identification of the cash-generating units to be taken into account in the individual player's registration rights, without the possibility of making compensations with any re-evaluations that could emerge from the valuation illustrated in the previous point; this is because it is held that the first impairment indicator can occur for each individual registration right;
- execution of a possible additional check of the recoverability of the investment through the analysis of other factors linked to the team as a whole; this makes it possible to also consider the fact that there could be a loss of value even when there are no impairment indicators (or impairment loss) at the level of the individual registration right.

The gains and losses deriving from the disposal of players' registration rights are recorded on the basis of the date of execution approved on the contracts by the Lega Nazionale Professionisti, for national transfers, and on the date of the "transfer" issued by the Italian Soccer Federation – F.I.G.C., for international transfers.

Gains and losses deriving from the disposal of players' registration rights are adjusted for accounting in the income statement of the effect due to the lower amortization of the registration rights recorded at the time-discounted cost compared to what was recorded under Italian GAAP.

The gains deriving from the disposal of players' registration rights, 50% of which was re-acquired at the same time, are adjusted for 50% of their sum so as to reflect in the income statement the revenues matured for the share of the registration right actually transferred through sale. The remaining part of the gain may, instead, be realized only at the time of the termination of the player sharing agreement, when the player leaves the company definitively. In the event that the disposal of registration rights that precedes the stipulation of the player-sharing contract generates a loss, the value of the latter is not, in contrast, subject to any adjustment for IFRS purposes. This stems from the fact that this loss is assimilated to the effect of the impairment test of the registration rights, under the assumption that the moment of disposal of the right is when this loss is incurred.

The income and expenses deriving from the termination of player-sharing agreements ex art. 102 bis of N.O.I.F. are recorded on the basis of the date of execution authorized on contracts by the Lega Nazionale Professionisti. Those deriving from the termination of sharing agreements are adjusted for the accounting in the income statement of the effect due to the lower amortization of the registration rights regarding the disposal of the player-sharing rights compared to what was recorded under Italian GAAP.

Property, plant and equipment

Property, plant and equipment are stated at purchase or production cost less accumulated depreciation and impairment losses. Revaluations are not permitted, even if allowed by specific laws.

Purchase cost includes all directly attributable costs necessary to make the asset ready for use. When there are obligations for decommissioning, the carrying amount includes the estimated costs (discounted to present value) to be incurred when the structure is decommissioned which is recognized with a contra-entry to a specific provision account.

Any capital investment grants are recorded in the balance sheet in liabilities and subsequently allocated systematically to the income statement over the number of years necessary to match the costs to be compensated.

Financial expenses associated with investments are generally charged on the accrual basis to the income statement.

Assets acquired under finance leases are recognized in property, plant and equipment with a contra-entry to financial payables to lessors and depreciated on the basis indicated below. Whenever there is a reasonable certainty that the asset will not be purchased at the end of lease, depreciation is taken over the period of the lease, if it is shorter than the useful life of the asset.

If an asset has significant components with different useful lives, these components are recorded separately.

The costs incurred subsequent to purchase are capitalized only if they increase the future economic benefits inherent to the assets to which such costs refer. All other costs are recognized in the income statement when incurred.

Assets are depreciated systematically using the straight-line method over their estimated useful lives and taking into account estimated realizable value. The carrying amounts are periodically tested for impairment. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is immediately recognized in the income statement.

Depreciation is calculated when the assets are ready for use on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	from 10 to 40 years
Plant and machinery	from 5 to 20 years
Industrial equipment	from 5 to 20 years
Other assets	from 3 to 25 years

The depreciation plan and the estimate of realizable value are reviewed annually.

The cost of land is recorded separately and is not depreciated since it has an indefinite life.

Other non-current financial assets

Investments in which the Group exercises a significant influence are accounted for by the equity method. Significant influence is assumed if the Group holds more than 20% of the voting rights or in relation to the decisional power exercised.

Other investments available-for-sale are measured at fair value which coincides, for listed investments, at the market price on last day of the reporting period. Unrealized gains and losses are recognized directly in equity, net of the relevant tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses may not later be reversed through the income statement.

Securities available-for-sale represented by debt securities, are recognized at cost and subsequently measured at fair value. The difference is recognized in equity. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses, when the reasons which gave rise to them no longer exist, are reversed in the income statement but only up to the initial amount.

Securities, security deposits and other financial assets held to maturity are recognized and measured at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured initially net of the repayment of principal, adjusted down on the basis of the total amortization of any difference between the initial amount and the maturity amount using the effective interest method, less any writedown (made directly or through the use of an accrual) for impairment or uncollectibility.

The effective interest rate is the rate that exactly discounts future payments or collections over the expected life of the financial instrument or, if appropriate, over a shorter period at the net carrying amount of the financial asset.

Other current financial assets

Financial assets held for trading, being acquired for resale in the short term, are measured at fair value through the income statement.

This category includes short-term credit instruments and other forms of investment of liquidity, some unconsolidated investments, as well as derivative instruments.

Inventories

Inventories are stated at the lower of purchase or manufacturing cost and estimated realizable value. Cost is determined by the weighted average cost method or FIFO (First-in - First-out).

Inventories of finished and semifinished goods include the direct costs of materials and labor and indirect costs, excluding general administration expenses. The market value of the inventories takes into account provisions for obsolete inventories.

Assets held for sale

Assets, or a group of assets and liabilities (that must not be offset), which are highly probable of being sold within the next year, are classified as held for sale on a specific line in the balance sheet and, if they represent significant sectors of activities, the relative results are shown separately in the income statement.

The disclosure relating to the results of such assets, for prior periods presented in the financial statements, is shown separately.

Such assets are stated at the lower of the carrying amount and fair value less costs to sell. Any impairment loss that arises should be recorded in the income statement. The impairment loss should eventually be reversed if the reasons for the impairment no longer apply, but only up to the initial amount. From the time the asset is recognized as

an asset held for sale, amortization and depreciation cease. Financial expenses and expenses attributable to the liabilities of a disposal group classified as held for sale should continue to be recognized.

When the conditions which led to the recognition of an asset as held for sale no longer apply, it should be reclassified to non-current assets and stated at the lower of the carrying amount before being designated as held for sale and its recoverable amount at the date of the subsequent decision not to sell the asset; the difference is recognized in profit and loss.

Non-financial receivables and payables

Receivables are initially recognized at fair value, represented by the present value of the amount that will be collected. Subsequently, they are measured at amortized costs using the effective interest method.

A provision for impairment of trade receivables is established when there is objective evidence of an impairment loss or a risk that the Group will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates. The amount of the provision is the difference between the asset's carrying amount and the present value of recoverable estimated future cash flows, discounted at the effective interest rate.

Payables are measured at their nominal amount, increased by the interest expense due, if any. Payables are subsequently measured at amortized cost.

Debt

Interest-bearing debt is recognized at cost which corresponds to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

Derivative financial instruments

Derivative financial instruments are only used for hedging purposes in order to reduce interest rate and/or currency risks and market price risks.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation of the hedging relationship and the hedge, verified periodically, is highly effective.

All derivative financial instruments are measured at fair value at the end of the period.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- **Fair value hedge:** where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect profit and loss, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement.
- **Cash flow hedge:** where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the profit and loss account at the same time in which the hedged transaction affects profit and loss. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging

instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure (inasmuch as the Group's policy does not permit speculative transactions) are classified and measured as trading transactions. In that case, the difference with fair value is recognized in the income statement.

Employee benefits – Pension plans

The companies of the Group offer their employees various forms of pension plans with specific characteristics that vary according to the law, the regulations and the practices in the countries in which they operate.

The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the Group pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee.

Consequently, the Group companies record the contribution paid as an expense and do not recognize any liability.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the Group companies have the obligation to set aside the costs relating to the benefits guaranteed to their employees in service and to retired employees. The actuarial risk and the investment risk are thus substantially borne by the companies of the Group.

Defined benefit plans, which include employee severance indemnities established by Italian laws, are measured by actuarial techniques using the Project Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, the Group elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.

All cumulative actuarial gains and losses that existed at January 1, 2004 have been recognized in equity.

For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

The liability is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid. The specific assumptions of each plan take into account the local economic conditions.

Defined benefit plans are in some cases covered by financial assets managed outside the Group companies. In those cases, the amount recognized in the financial statements for such liabilities corresponds to the difference between present value of future services (actuarial liability) and the market value of the assets invested that are intended to cover the liability, increased by losses or decreased by unrecognized (or not yet recorded) gains and, in any case, taking into account the surplus cap limit for assets established by paragraph 58 of IAS 19. When the result of this calculation shows a net obligation it is recognized in a provision under liabilities, in the reverse case, an asset is recognized.

Beginning January 1, 2007, the Finance Bill in Italy and the relative decrees implementing it introduced changes regarding employee severance indemnities which include allowing the employee to choose the destination of his/her indemnity that is accruing. In particular, the employee could choose to direct the new flows of the indemnity to pre-chosen pension schemes or to keep them with the company. At the present time, the uncertainty over the interpretation of the recently enacted law, the various possible interpretations of the qualification under IAS 19 of the indemnity being accrued and the resulting changes in the actuarial calculations of the indemnity already accrued, as well as the impossibility of estimating what destinations will be chosen by the employee (the individual employees have until June 30, 2007 to make their decisions) would render it premature to offer any assumptions, by the companies operating in Italy, on the actuarial change in the calculation of the indemnity accrued at December 31, 2006.

Employee benefits – Stock option plans

In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options on the grant date is expensed in personnel costs on a straight-line basis over the period from the grant date to the vesting date and recognized directly in equity. Changes in fair value after the grant date have no effect on the initial measurement. The cost is recalculated each year in relation to the number of options not yet exercised.

In accordance with IFRS 2, the Group has applied this standard to stock options granted after November 7, 2002 and not yet vested at the effective date of IFRS 2 (January 1, 2005).

In the event the plans require a monetary payment equal to the increase in the value of the enterprise, the fair value of the liability of the plan is re-measured at each reporting date until its extinction.

The cost is recognized in the income statement in “Other nonrecurring expenses” with a contra-entry to “Other payables to related parties”.

Provisions for other liabilities and charges

Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the balance sheet date, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, resulting from a past event, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.

Changes in estimates are recorded in the income statement in the period in which the change is made.

The accruals mainly refer to environmental or legal risks and accruals for restructuring operations.

Accruals for environmental or legal risks

In general, environmental and legal risks are evaluated case by case. The accrual, if any, is booked on the basis of the best information available, on condition that this information makes it possible to determine a probable loss that is estimated in a sufficiently reliable manner.

Accruals for restructuring operations

An accrual for restructuring operations is booked on condition that a detailed and formal restructuring plan has been approved and that the restructuring has begun or the details of the restructuring plan have been made public.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions are recognized as a deduction of equity and, therefore, the reserve as the contra-entry of treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Income taxes

Current income taxes are calculated according to the tax laws in force in the countries in which the companies of the Group operate.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities recorded in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which temporary differences will be reversed. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other receivables and taxes payable in a specific caption under non-current assets or liabilities.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Sales and purchases of receivables

Receivables sold with recourse remain in the balance sheet of the assignor which records a payable to the buyer against collection and financial expenses to be borne. Receivables sold without recourse are only derecognized if it can be demonstrated that the risks and rewards relating to the asset have been substantially transferred to the assignee.

Consequently, all receivables sold which do not meet IAS 39 derecognition requirements are recognized as such in the Group financial statements even though they have been legally sold. A corresponding financial liability is recorded in the consolidated balance sheet in debt. Gains and losses relating to the sale of such assets are not recognized until the assets are removed from the Group balance sheet.

Revenues

Revenues are stated net of discounts, allowances and rebates and are formed by sales of merchandise, goods and services as part of the Group's principal activities. Revenues from sales of goods and merchandise are recognized when the risks and rewards of ownership of the goods are transferred to the customer.

Revenues from services are recognized by reference to the stage of completion of the transaction at the balance sheet date and measured on the basis of the services rendered.

Financial income is recognized according to the accrual principle on the basis of the effective rate of return.

Dividends from investments accounted for at cost are recognized in the income statement when they are approved by the stockholders and only from the earnings generated after the acquisition of the investee company. Instead, when the dividends are distributed from reserves generated before acquisition, the dividends are reported as a deduction from the cost of the investment.

Other nonrecurring income (expenses)

Other nonrecurring income (expenses) include the gains and/or the losses on the disposal of non-current assets other than discontinued operations or assets held for sale (the results of the latter are included in "Profit (loss) from discontinued operations or assets held for sale"). They also include impairment losses of assets, restructuring costs, accruals and utilizations of non-current provisions for liabilities.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the parent by the weighted average number of shares outstanding during the period, excluding treasury stock. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The profit attributable to the equity holders of the company is also adjusted to take into account the effects, net of taxes, of the conversion.

Segment information

Given the nature of the activities of IFI S.p.A. and the subsidiary IFIL S.p.A., IFI presents segment information which coincides with the consolidated data of each subsidiary and associate holding company, each of which represents an investment in a primary reporting segment.

7. Use of estimates

The preparation of financial statements and related disclosures that conforms to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and the key assumptions concerning the future that management has made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recoverability of non-current assets

Non-current assets include property, plant and equipment, investment property, intangible assets (including goodwill), investments and other financial assets. Management reviews periodically the carrying value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review. Management performs this review using estimates of future cash flows from the use or disposal of the asset and suitable discount rates in order to calculate present value. If the carrying amount of a non-current asset is considered impaired, the Group records an impairment charge for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to its most recent corporate plans.

Pension and other post-retirement benefits

Group companies sponsor pension and other post retirement benefits in various countries. Management uses several statistical and judgmental factors that attempt to anticipate future events in calculating the expense, the liability and the assets related to these plans. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases and health care cost trend rates. In addition, the Group's actuarial consultants also use subjective factors such as resignations and mortality rates in making relevant estimates.

Contingent liabilities

The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed in the notes.

8. Adoption of new accounting standards and interpretations issued by the IASB**Standards and interpretations in effect since January 1, 2006**

In 2006, the IFI Group adopted all the new and revised standards and the interpretations released by the IASB and IFRIC which had an effect on the transactions carried out or relevant to the financial statements for the years beginning on or after January 1, 2006.

In April 2005, the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement, to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as the hedged item in a cash flow hedge in financial statements – provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and the foreign currency risk will affect the consolidated financial statements. The amendment also specifies that if the hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognized directly in equity in accordance with the hedge accounting rules in IAS 39 must be reclassified into profit or loss in the same period or periods during which the foreign currency risk of the hedged transaction affects consolidated income statement.

In June 2005, the IASB issued another amendment to IAS 39 – Financial Instruments: Recognition and Measurement, to restrict the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement (the fair value option). The revisions limit the use of the option to those financial instruments that meet certain conditions. Those conditions are that:

- the fair value option designation eliminates or significantly reduces an accounting mismatch;
- a group of financial assets, financial liabilities, or both is managed and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy; and
- an instrument contains an embedded derivative that meets particular conditions.

The adoption of these standards and interpretations had no material impact on the financial statements for the year ended December 31, 2006.

Standards and interpretations not yet in effect

In August 2005, the IASB issued IFRS 7 – Financial Instruments: Disclosures and a complementary amendment to IAS 1 – Presentation of Financial Statements: Capital Disclosures, effective beginning January 1, 2007.

IFRS 7 requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32 – Financial Instruments: Disclosure and Presentation. IFRS 7 also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks.

The amendment to IAS 1 introduces requirements for disclosures about an entity's capital.

The IFI Group has decided not to elect the early adoption of IFRS 7 and the amendment to IAS 1.

On November 30, 2006, the IASB issued IFRS 8 – Operating Segments that will become effective beginning from January 1, 2009 and which will replace IAS 14 – Segment Reporting.

In 2006, the following interpretations were also issued:

- IFRIC 9 – Reassessment of Embedded Derivatives (effective from January 1, 2007)
- IFRIC 10 – Interim Financial Reporting and Impairment (effective from January 1, 2007)
- IFRIC 11 – IFRS 2: Group and Treasury Share Transactions (effective from January 1, 2008)

The Group believes that the adoption of these interpretations will not have a material effect on the financial statements.

The following interpretations were issued in 2006 but are not applicable to the IFI Group:

- IFRIC 8 – Scope of IFRS 2 (effective from January 1, 2007)
- IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyper-inflationary Economies (effective from January 1, 2007)
- IFRIC 12 – Service Concession Arrangements (effective from January 1, 2008).

9. Risk management

IFI S.p.A.

In view of its business as an investment company, IFI S.p.A. is not subject to specific credit risks. Moreover, it is not subject to direct currency risks since it does not hold significant equity investments denominated in currencies other than the Euro.

Financing requirements and cash flows are coordinated so that the financial resources are managed effectively and efficiently. Outgoing flows of current operations are substantially financed by incoming flows from normal business and cash availability.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. In this sense, IFI S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

IFI S.p.A. assesses and manages its exposure to changes in interest rate risks consistently with its management policy and utilizes derivative financial instruments to fix some of the financing obtained with a predetermined interest rate. Derivative financial instruments are not used for speculative purposes.

In particular, during 2006, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on existing loans.

IFIL Holdings System

In view of its business as an investment company, IFIL S.p.A. is not subject to specific credit risks. Moreover, it is not subject to direct currency risks since it does not hold significant equity investments denominated in currencies other than the Euro.

The consolidated net financial position of the "Holdings System" (see also "IFIL Group – Review of the condensed consolidated results" in the Directors' Report on Operations) is currently a net cash position and, therefore this also renders the liquidity risk insignificant. In any case, the financing requirements and the cash flows of the companies in the "Holdings System" are coordinated so that the financial resources are managed effectively and efficiently. Outgoing flows of current operations are substantially financed by incoming flows from normal business and cash availability.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. In this sense, IFIL S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

IFIL S.p.A. assesses and manages its exposure to changes in interest rate risks consistently with its management policy and utilizes derivative financial instruments to fix some of the financing obtained with a predetermined interest rate. Derivative financial instruments are not used for speculative purposes.

In particular, during 2006, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on some existing loans and on bonds issued.

Sequana Capital Group

The sales of net options are prohibited. The Sequana Capital Group's policies do not allow it to operate on financial markets for speculative purposes and provide for the use of derivative financial instruments only in the event of exposure to certain or highly probable risks.

The Sequana Capital Group uses derivative financial instruments to hedge exposure to interest rate fluctuations as its loans, for the most part, are obtained at 1-, 2- or 3-month floating rates.

The operating companies of the group use derivative instruments to hedge interest rates under the coordination of the general management of the group for a part or the whole of its net debt.

At December 31, 2006, Arjowiggins has a portfolio of swap contracts for € 100 million and collar contracts for € 70 million. These derivatives are recognized at fair value through the income statement.

At December 31, 2006, Antalis has a portfolio of swaps for fixed rates against the 1-month Euribor for € 225 million. These derivatives are classified as hedging derivatives and their fair value is recognized in equity.

The Sequana Capital Group uses certain derivative instruments to hedge exchange rate risk.

Sequana Capital put into place currency options to guarantee the exchange rate of the Legg Mason shares listed in U.S. dollars on the New York stock exchange.

On cash resources in Euros held by the British holding companies, a reverse position was taken by selling Euros against the British pound for an amount that varies in relation to the changes in the positions for purposes of canceling the economic effect of the change in the Euro/British pound exchange rate.

As for the operating companies, derivative instruments were put into place for future flows in currencies other than the Euro.

Arjowiggins has hedging contracts in place for energy prices which are recognized at fair through the income statement.

Alpitour Group

The Alpitour Group's policies exclude the possibility of using derivative financial instruments for speculative purposes.

The Group uses derivatives to hedge currency risk (mainly with forward purchases in U.S. dollars to hedge payments of tourism services) and interest rate risk (with interest rate swaps).

Moreover, the aviation division is subject to the risk of fluctuations in fuel prices that are largely associated with the international political equilibrium and other exogenous factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Group's margin and, consequently, the risk exposure is hedged by commodity swaps and zero cost collars.

10. Change in the scope of consolidation

Changes in the scope of consolidation during 2006 at the various levels of consolidation are described below.

IFIL Holdings System

In 2006, the subsidiary Sadco S.A. was accounted for by the equity method since it was put into a wind-up at the end of 2005.

Sequana Capital Group

In August 2006, Antalis purchased the company Dekker Packaging BV and in December 2006 Antonin Rodet purchased the company Dufouleur Père et Fils. Information on the acquisition of Dekker Packaging is presented below.

€ in millions	Dekker Packaging
Acquisition date	8/11/2006
Acquisition percentage	100%
Country	The Netherlands
Closing date of financial statements	December 31
Amounts expressed in local currency	Euro
Acquisition information (referring to a 12-month period):	
Sales	24
Total assets	8
Acquisition analysis:	
Acquisition price (a)	11
Nature of acquisition price	Cash
Non-current assets	1
Working capital requirements	2
Net other liabilities	(1)
Net assets acquired (b)	2
Net goodwill (a-b)	9

Alpitour Group

Alpitour, through its subsidiary Alpitour World Hotels & Resorts S.p.A., purchased a 100% stake in the capital of Netrade S.p.A., a company with headquarters in Rome which operates in the hotel management sector.

Alpitour also sold the entire holding in Jumbo Grandi Eventi S.r.l. (70% of capital stock), in Renthotel Tunisie S.A. (100% of capital stock), previously consolidated line-by-line, and in Blumarine Hotels S.A. de C.V., owner of the “El Mandarin” hotel resort in Mexico.

The effects of these transactions are described below.

€ in millions	Netrade S.p.A.
Acquisition date	9/26/2006
Acquisition percentage	100%
Country	Italy
Closing date of financial statements	October 31
Acquisition information (a):	
Sales	-
Profit	-
Total assets	3
Acquisition analysis:	
Purchase price	4
Nature of purchase price	Cash
Accounting equity (excluding profit)	-
Higher amount attributed to hotel	4

(a) Data refers to the financial statements at October 31, 2006.

	Blumarine Hotels S.A. de C.V.	Jumbo Grandi Eventi S.r.l.	Renthotel Tunisie S.A.
€ in millions			
Sale date	12/13/2005	9/11/2006	10/31/2006
Sale percentage	99.998%	70.00%	99.97%
Country	Mexico	Italy	Tunisia
Sale information (a):			
Sales	7	12	5
Profit (loss)	1	n.s.	(2)
Total assets	16	55	12
Sale analysis:			
Sale price	38	5	n.s.
Nature of sales price	Cash	Cash	Cash
Gain (loss)	14	2	(2)

(a) Data refers to the financial statements at October 31, 2005.

The effect on the income statement is recorded in “Gains (losses) on sales of investments”.

The analysis of the most important flows presented in the statement of cash flows relating to acquisitions and sales is the following:

€ in millions	2006	2005
(Gains) losses on sales		
Sale of Legg Mason securities	(38)	
Sale of investment in Exor Group	(7)	
Sale of Permal Group		(504)
Sale of investment in La Rinascente		(460)
Sale of "El Mandarin" resort	(14)	
Other	6	(10)
(Gains) losses on sales	(53)	(974)
Sales of non-current financial assets		
Sale of Legg Mason securities	184	
Sale of investment in Exor Group	207	
Sale of "El Mandarin" resort	38	
Reimbursement of capital received from SGS	23	
Sale of investment in La Rinascente		904
Other	11	14
Sales of non-current financial assets	463	918
Change in the scope of consolidation		
Purchase of Dekker Packaging BV (Antalis)	(11)	
Purchase of Dufouleur Père et Fils (Antonin Rodet)	(6)	
Purchase of Netrade (Alpitour Group)	(3)	
Sale price of Permal Group in cash		436
Sale price of Ifabanque		7
Sales transaction costs, paid		(25)
Sale price of Pechel Industries		17
Purchase of Antaréa S.p.A. and First Graphic		(18)
Sale price of Canson received in advance	20	
Deconsolidation of net liquidity of Canson	(12)	
Other	(5)	3
Change in the scope of consolidation	(17)	420
Effect of assets held for sale		
Permal Group Ltd, net effect of deconsolidation		(54)
Effect of assets held for sale	0	(54)

COMMENTS ON THE PRINCIPAL ITEMS IN THE CONSOLIDATED BALANCE SHEET

11. Goodwill

The composition of goodwill by business segment is as follows:

€ in millions	12/31/2006	12/31/2005	Change
Portion of goodwill on the 2000 takeover bid allocated to Arjowiggins	467	497	(30)
Other companies	3	3	0
Arjowiggins Group	470	500	(30)
Portion of goodwill on the 2000 takeover bid allocated to Antalis	155	155	0
Inversiones GMS	30	35	(5)
Promotional Products	15	23	(8)
Antalis GmbH	15	23	(8)
Brangs & Heinrich	22	22	0
Dekker Packaging BV	9		9
Other companies	17	29	(12)
Antalis Group	263	287	(24)
Other Sequana Capital Group	2		2
Jumboturismo S.A.	11	11	0
Altamarea V&H Compagnia Alberghiera S.p.A.	8	8	0
Viaggidea S.p.A.	6	6	0
Other Alpitour Group companies	0	2	(2)
Alpitour Group	25	27	(2)
Net goodwill	760	814	(54)

The analysis of the changes in goodwill is as follows:

€ in millions	12/31/2006	12/31/2005
GROSS AMOUNT		
Opening balance	1,009	1,040
Changes during the year		
Changes due to business combinations	11	(35)
Decreases		(19)
Reclassification to "Assets held for sale"	(30)	
Exchange differences	(6)	9
Other changes	(20)	14
	Changes in gross amount	(45)
		(31)
Closing balance	964	1,009
ACCUMULATED IMPAIRMENT LOSSES		
Opening balance	(195)	(248)
Changes during the year		
Exchange differences	1	(1)
Impairment losses recognized in the income statement (a)	(28)	
Use of accumulated impairment losses due to sale (income statement) (a)		68
Other changes	18	(14)
	Changes in accumulated impairment losses	(9)
		53
Closing balance	(204)	(195)
NET AMOUNT		
Opening balance	814	792
Changes during the year		
Changes due to business combinations	11	(35)
Decreases	0	(19)
Reclassification to "Assets held for sale"	(30)	
Exchange differences	(5)	8
Impairment losses recognized in the income statement (a)	(28)	
Use of accumulated impairment losses due to sale (income statement) (a)	0	68
Other changes	(2)	
	Changes in net amount	(54)
		22
Closing balance	760	814

(a) Recorded under "Other nonrecurring income (expenses)" in the income statement.

In August 2006, the Sequana Capital Group purchased the company Dekker Packaging NV and recognized goodwill of €9 million on the acquisition; at the end of 2006, the company Dufouleur Père et Fils was purchased and goodwill of €2 million was recognized on the acquisition. The financial statements used for the acquisitions are in the process of being valued so the final amount of goodwill will be decided in 2007.

At the end of 2006, the impairment tests of the Antalis Group indicated an impairment loss of €28 million which was recognized in the income statement. Following the classification of the activities of Canson Grand Public to "Assets held for sale", an amount of €30 million of the goodwill on Arjowiggins allocated to those activities was reclassified to the same line of the balance sheet.

Impairment test on the goodwill of the Sequana Capital Group

The value of the company is the reference used for the valuation of the goodwill of the Group. It is calculated using a multi-criteria approach which includes multiples of the current operating earnings, future net cash flows and comparable transactions. This calculation, moreover, is confirmed by an external assessment.

The value of the company as determined above less net financial debt constitutes the fair value to be used to compare the carrying amount of the cash-generating units (CGU) to which the goodwill is allocated. When this comparison produces an impairment loss, it is recognized as a deduction from goodwill.

The principal assumptions used in the calculation of the impairment test are as follows:

		Arjowiggins	Antalis
Growth rate after the explicit period of cash flows	2006	1.49%	0.12%
	2005	0.21%	0.38%
Pretax discount rate	2006	8.30%	7.70%
	2005	8.00%	8.70%

In 2006, the impairment tests indicated an impairment of certain assets for € 28 million, recognized in the income statement and attributable to:

€ in millions	
Promotional Products Gmbh	12
Antalis Gmbh	8
Singe Turquie	6
Other minor companies	2
Total	28

With the exception of the goodwill relating to Promotional Products Gmbh, which was completely written off, the sensibility of the impairment tests at a +/- 0.5% variation is equal to +/- € 1 million.

12. Other intangible assets

The changes in other intangible assets are as follows:

€ in millions	Concessions, licenses and trademarks	Players' registration rights	Other intangible assets	Intangible assets in progress and advances	Total
GROSS AMOUNT – Opening balance at December 31, 2005	191	386	46	11	634
Changes during the year					
Increases	23	12	4	40	79
Increases due to business combinations	1				1
Decreases	(23)	(170)	(1)		(194)
Exchange differences	(1)				(1)
Reclassification to "Assets held for sale"			(1)		(1)
Other changes and reclassifications	10		(1)	(7)	2
Total changes during the year	10	(158)	1	33	(114)
Closing balance at December 31, 2006	201	228	47	44	520
ACCUMULATED AMORTIZATION AND IMPAIRMENTS					
Opening balance at December 31, 2005	(119)	(240)	(32)	0	(391)
Changes during the year					
Decreases	14	109			123
Impairments (a)	(8)				(8)
Amortization	(17)	(38)	(3)		(58)
Exchange differences					0
Other changes and reclassifications	(2)		4		2
Total changes during the year	(13)	71	1	0	59
Closing balance at December 31, 2006	(132)	(169)	(31)	0	(332)
NET AMOUNT – Opening balance at December 31, 2005	72	146	14	11	243
Changes during the year					
Increases	23	12	4	40	79
Increases due to business combinations	1	0	0	0	1
Decreases	(9)	(61)	(1)	0	(71)
Impairments (a)	(8)	0	0	0	(8)
Amortization	(17)	(38)	(3)	0	(58)
Exchange differences	(1)	0	0	0	(1)
Reclassification to "Assets held for sale"	0	0	(1)	0	(1)
Other changes and reclassifications	8	0	3	(7)	4
Total changes during the year	(3)	(87)	2	33	(55)
Closing balance at December 31, 2006	69	59	16	44	188

(a) Recorded under "Other nonrecurring income (expenses)" in the income statement.

€ in millions	Concessions, licenses and trademarks	Players' registration rights	Other intangible assets	Intangible assets in progress and advances	Total
GROSS AMOUNT – Opening balance at December 31, 2004	174	397	31	10	612
Changes during the year					
Increases	15	46	3	9	73
Increases due to business combinations	2				2
Decreases	(6)	(57)			(63)
Exchange differences			8		8
Other changes	6		4	(8)	2
Total changes during the year	17	(11)	15	1	22
Closing balance at December 31, 2005	191	386	46	11	634
ACCUMULATED AMORTIZATION AND IMPAIRMENTS					
Opening balance at December 31, 2004	(109)	(229)	(17)	0	(355)
Changes during the year					
Increases due to business combinations	(1)				(1)
Decreases	4	44			48
Amortization	(17)	(55)	(4)		(76)
Exchange differences			(8)		(8)
Other changes	4		(3)		1
Total changes during the year	(10)	(11)	(15)	0	(36)
Closing balance at December 31, 2005	(119)	(240)	(32)	0	(391)
NET AMOUNT – Opening balance at December 31, 2004	65	168	14	10	257
Changes during the year					
Increases	15	46	3	9	73
Increases due to business combinations	1				1
Decreases	(2)	(13)			(15)
Amortization	(17)	(55)	(4)		(76)
Other changes	10		1	(8)	3
Total changes during the year	7	(22)	0	1	(14)
Closing balance at December 31, 2005	72	146	14	11	243

Commitments for the purchase of intangible assets by the IFI Group amount to € 1 million (€ 1 million at December 31, 2005).

Research and development expenditures charged to income in 2006 amount € 17 million (€ 17 million in 2005).

Intangible assets completely amortized but still in use amount to € 33 million and refer to concessions, licenses and trademarks of the Alpitour Group for € 16 million, players' registration rights for € 10 million and other intangible assets for € 7 million.

In 2006, the line "Increases" includes internally-developed assets for € 6 million (€ 9 million in 2005).

13. Property, plant and equipment

The changes in property, plant and equipment are as follows:

€ in millions	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Advances	Total
GROSS AMOUNT								
Opening balance at December 31, 2005	55	539	21	1,960	209	48	1	2,833
Changes during the year								
Additions	4	10	1	27	25	54	2	123
Decreases	(22)	(80)		(93)	(10)			(205)
Reclassification to "Assets held for sale"				(10)	(3)		(2)	(15)
Acquisitions through business combinations	2	2		1	3			8
Exchange differences	(1)	(10)	(1)	(47)	(5)	(1)		(65)
Other changes and reclassifications	19	(1)	1	26	(3)	(44)	(1)	(3)
Total change during the year	2	(79)	1	(96)	7	9	(1)	(157)
Closing balance at December 31, 2006	57	460	22	1,864	216	57	0	2,676
ACCUMULATED DEPRECIATION AND IMPAIRMENTS								
Opening balance at December 31, 2005	(3)	(241)	(8)	(1,506)	(136)	0	0	(1,894)
Changes during the year								
Decreases	11	30		78	8			127
Reclassification to "Assets held for sale"					(2)			(2)
Acquisitions through business combinations					(1)			(1)
Impairments (a)		(1)		(25)				(26)
Reversals of impairments				9	1			10
Depreciation		(18)	(2)	(61)	(17)			(98)
Exchange differences		4		41	3			48
Other changes and reclassifications	(9)	13	1	(3)	3			5
Total change during the year	2	28	(1)	39	(5)	0	0	63
Closing balance at December 31, 2006	(1)	(213)	(9)	(1,467)	(141)	0	0	(1,831)
NET AMOUNT								
Opening balance at December 31, 2005	52	298	13	454	73	48	1	939
Changes during the year								
Additions	4	10	1	27	25	54	2	123
Decreases	(11)	(50)	0	(15)	(2)	0	0	(78)
Reclassification to "Assets held for sale"	0	0	0	(10)	(5)	0	(2)	(17)
Acquisitions through business combinations	2	2	0	1	2	0	0	7
Impairments (a)	0	(1)	0	(25)	0	0	0	(26)
Reversals of impairments	0	0	0	9	1	0	0	10
Depreciation	0	(18)	(2)	(61)	(17)	0	0	(98)
Exchange differences	(1)	(6)	(1)	(6)	(2)	(1)	0	(17)
Other changes and reclassifications	10	12	2	23	0	(44)	(1)	2
Total change during the year	4	(51)	0	(57)	2	9	(1)	(94)
Closing balance at December 31, 2006	56	247	13	397	75	57	0	845

(a) Recorded under "Other nonrecurring income (expenses)" in the income statement.

€ in millions	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Advances	Total
GROSS AMOUNT								
Opening balance at December 31, 2004	67	619	21	1,870	199	32	0	2,808
Changes during the year								
Additions		8	1	31	17	46	1	104
Decreases	(8)	(67)	(1)	(59)	(19)	(2)		(156)
Reclassification to "Assets held for sale"	(8)	(36)		28	11	(28)		(33)
Acquisitions through business combinations	2	(1)		3	(3)			1
Exchange differences	2	16		87	4			109
Total change during the year	(12)	(80)	0	90	10	16	1	25
Closing balance at December 31, 2005	55	539	21	1,960	209	48	1	2,833
ACCUMULATED DEPRECIATION AND IMPAIRMENTS								
Opening balance at December 31, 2004	(3)	(269)	(7)	(1,258)	(136)	0	0	(1,673)
Changes during the year								
Decreases		41	1	50	17			109
Reclassification to "Assets held for sale"		16		(6)	(2)			8
Acquisitions through business combinations		(2)		(2)	2			(2)
Impairments (a)				(144)	(2)			(146)
Depreciation		(21)	(2)	(80)	(15)			(118)
Exchange differences		(6)		(66)				(72)
Total change during the year	0	28	(1)	(248)	0	0	0	(221)
Closing balance at December 31, 2005	(3)	(241)	(8)	(1,506)	(136)	0	0	(1,894)
NET AMOUNT								
Opening balance at December 31, 2004	64	350	14	612	63	32	0	1,135
Changes during the year								
Additions		8	1	31	17	46	1	104
Decreases	(8)	(26)		(9)	(2)	(2)		(47)
Transfer to assets held for sale	(8)	(20)		22	9	(28)		(25)
Acquisitions through business combinations	2	(3)		1	(1)			(1)
Impairments (a)				(144)	(2)			(146)
Depreciation		(21)	(2)	(80)	(15)			(118)
Exchange differences	2	10		21	4			37
Total change during the year	(12)	(52)	(1)	(158)	10	16	1	(196)
Closing balance at December 31, 2005	52	298	13	454	73	48	1	939

(a) Recorded under "Other nonrecurring income (expenses)" in the income statement.

The line "Reclassification to Assets held for sale" includes non-current assets of the Sequana Capital Group for € 17 million transferred to assets held for sale.

In 2006 and 2005, no borrowing costs were capitalized.

Commitments for the acquisition of property, plant and equipment amount to € 5 million at December 31, 2006 (€ 11 million at December 31, 2005).

At December 31, 2006, the gross carrying amount of property, plant and equipment completely depreciated but still in use amounts to € 7 million.

Impairment test on the property, plant and equipment of the Sequana Capital Group

In 2006, the measurement of property, plant and equipment resulted in an impairment loss of €24 million for Arjowiggins as a result of the comparison of the recoverable amount of the assets of Arjowiggins and the net carrying amount.

Such measurements were carried out on the basis of the impairment tests performed at the level of cash-generating units which represent the level at which the operating subsidiaries of the group manage their production systems. The recoverable amount of the cash-generating units is determined on the basis of the value in use, that is, by projecting the discounted cash flows, for five years, taken from the budgets approved by management. Beyond that period, the cash flows are extrapolated starting from the growth rates by activity.

The discount rates used in 2006 are 7.8% for European Union countries and 9.3% for North America.

Finance lease contracts on property, plant and equipment

The carrying amount of property, plant and equipment includes €41 million (€11 million at December 31, 2005) relating to assets acquired under finance leases, mainly referring to the Sequana Capital Group, Juventus Football Club and the Alpitour Group.

These particularly refer to:

- the Juventus Football Club training center at Vinovo, for a total amount of €22 million;
- some finance lease contracts referring to two buildings located in Milan and Padua carried by Welcome Travel Group, a subsidiary of the Alpitour Group.

Leasing information is as follows:

€ in millions	Land and buildings	Plant and machinery	Total
YEAR 2006			
Lease debt information			
Nominal amount of lease debt at inception	31	18	49
<u>At the reporting date</u>			
Residual amount of fixed-rate lease debt	5	11	16
Residual amount of floating-rate lease debt	19	6	25
Total amount of residual debt	24	17	41
<u>Residual lease debt due at the reporting date</u>			
Within 1 year	2	1	3
Between 2 and 5 years	3	6	9
Beyond 5 years	18	11	29
	23	18	41
<u>Present value of lease debt</u>	22	12	34

14. Investments accounted for by the equity method

Details are as follows:

€ in millions	December 31, 2006		December 31, 2005		Change
	% of investment	Carrying Amount	% of investment	Carrying Amount	
FIAT S.p.A.	28.60	2,611	28.28	2,336	275
SGS S.A.	-	-	24.33	623	(623)
Exor Group S.A.	-	-	29.30	199	(199)
Turismo&Immobiliare	25.00	4	25.00	4	0
Sundry Antalis Group associates		3	-	3	0
Sundry Alpitour Group associates		1			1
		2,619		3,165	(546)

On April 7, 2006, IFI sold the entire stake held in Exor Group (3,418,242 shares representing 29.3% of capital stock) to the same Exor Group for a sales price of €206 million (€60.5 per share) realizing a gain of €7 million.

On December 18, 2006, as part of the Public Purchase and Exchange Offering launched by Sequana Capital, the 24.33% capital investment in SGS was partly sold to Ifil Investissements (a stake equal to 13.16%) and partly to the other stockholders of Sequana Capital.

The balance sheet and income statement effects of the intragroup transaction were eliminated at the IFIL consolidation level. However, since the conditions for accounting for the investment by the equity method are no longer valid (the stake held is now less than 20%), the remaining investment in SGS has been reclassified to other financial assets and measured at fair value.

The analysis of the changes during the year is as follows:

€ in millions	2006
Opening balance	3,165
Investments in Fiat stock	63
Sale of the stake of the investment in SGS to third parties	(276)
Sale of the investments in Exor Group	(199)
Reclassification of the investment in SGS to "Other financial assets"	(350)
Reimbursement of capital received from SGS	(23)
Share of profit (loss) – Note 37	352
Translation differences	(152)
Dividends distributed	(37)
Gains (losses) recognized directly in equity	8
Other movements	68
Total changes during the year	(546)
Closing balance	2,619

Highlights of the Fiat Group are presented below (see also Note 44).

	Fiat Group	
	2006	2005
Currency	Euro	Euro
Closing date	12/31/2006	12/31/2005
Total assets	58,303	62,454
Current and non-current liabilities	48,267	53,041
Revenues	51,832	46,544
Profit attributable to the equity holders of the company and the minority interest	1,151	1,420
Of which, the IFI Group's share	289	379
Net financial position	(231)	(2,550)
Fair value of shares held by the Group (based on stock market prices at December 29, 2006)	5,172	2,592

15. Financial assets

The composition of financial assets is as follows:

€ in millions	2006	2005	Change
Non-current financial assets	2,673	1,524	1,149
Current financial assets	1,109	1,173	(64)
Total financial assets	3,782	2,697	1,085

Details are as follows:

€ in millions	Non-current financial assets		Current financial assets	
	12/31/2006	% held	12/31/2005	% held
Investments available-for-sale				
Sanpaolo IMI S.p.A.	1,640	4.96%	1,229	4.97%
SGS S.A.	870	13.16%	0	
Gruppo Banca Leonardo S.p.A.	47	9.43%	0	
Other investments at fair value	12		14	
Other investments				
Campi di Vinovo S.p.A.	0		18	
Legg Mason	0		0	
Total investments	2,569		1,261	
Other financial investments				
Fox River deposits	79		97	
DG IV deposit	0		92	
Other deposits and security deposits	11		11	
Other minor investments	0		1	
Ocean Club Méditerranée bonds	5		5	
Fiat ordinary share warrants 2007	0		3	
	95		209	
Other financial investments at fair value				
Receivable from Legg Mason	7		48	
Credit instruments	0		0	
	7		48	
Other financial assets and financial receivables				
	2		6	
Total other financial assets	104		263	
Total	2,673		1,524	

The investment in Sanpaolo IMI is measured at fair value on the basis of the market price at December 29, 2006, equal to €17.62 per share (€13.2 per share in 2005), with the unrealized gain recognized in equity.

The investment in SGS obtained through the exchange of Sequana Capital shares (see Note 4), recorded in non-current financial assets, is measured at fair value on the basis of the market price at December 29, 2006, equal to CHF 1.358 per share, (at the CHF/Euro exchange rate of 1.6069), with the unrealized gain recognized in equity.

The deposit in connection with the DG IV dispute was reclassified to current financial assets in that the Sequana Capital Group, with regard to this dispute, is waiting for the communication of the ruling handed down in the second half of 2006.

The SGS shares classified in current financial assets refer to the 4,051 shares sold by Sequana Capital to BNP Paribas as part of the equity swap contract. These shares were definitively sold by Sequana Capital on February 15, 2007.

Credit instruments included in current financial assets include temporary investments of cash resources made with leading credit institutions on the money market, in time deposits, in securities issued by the Italian government and in other short-term financial instruments held by the foreign subsidiaries of the IFIL Holdings System and Sequana Capital, which do not meet the conditions for classification as "Cash and cash equivalents".

They also include securities subscribed to by Alpitour for €46 million as part of the transaction for the securitization of trade receivables carried out in 2006 (Note 17).

The analysis of changes during 2006 is as follows:

€ in millions	Non-current financial assets		Current financial assets	
	12/31/2006	12/31/2005	12/31/2006	12/31/2005
Opening balance	1,524	1,011	1,173	1,361
Increases	64	333	100	316
Decreases	(32)	(19)	(285)	(516)
Fair value recognized in equity	920	221	(20)	26
Fair value recognized through the income statement	(1)		10	
Reversal (accrual) for impairments	1	1		
Reclassification of the SGS investment from "Investments accounted for by the equity method"	350			
Reclassification to "Assets held for sale"	(19)			
Exchange differences	(8)	17		1
Change in the scope of consolidation	(3)	(43)		(14)
Other changes and reclassifications	(123)	3	131	(1)
Changes during the year	1,149	513	(64)	(188)
Closing balance	2,673	1,524	1,109	1,173

The fair value of current securities is calculated using the market prices at the balance sheet date, where available, or discounting future cash flows.

At December 31, 2006, the line "Fair value recognized in equity" includes the fair value adjustment of the investment in Sanpaolo IMI (€412 million) and in SGS S.A. (€508 million) recorded in non-current financial assets and, for current assets, the release to the income statement of the fair value recognized in prior years on the Legg Mason securities, sold during 2006.

In 2006, the line "Decreases" in current financial assets mainly refers to the sale of Legg Mason stock (1,664,963 shares received as payment on the sale of the 70.5% investment in Permal Group Ltd in November 2005) for €146 million and the reduction of the credit instruments portfolio of Sequana Capital for €128 million.

The line "Reclassifications to assets held for sale" refers to the investment in Campi di Vinovo S.p.A. held by Juventus Football Club.

The line "Change in the scope of consolidation", in 2005, included the reclassification of the Permal Group to "Assets held for sale" for €67 million.

Non-current other financial assets, excluding investments, by maturity are as follows:

€ in millions	12/31/2006	12/31/2005
From 1 to 5 years	81	205
Beyond 5 years	23	58
	104	263

16. Inventories

Details are as follows:

€ in millions	12/31/2006	12/31/2005	Change
Raw materials and other supplies	111	120	(9)
Work in progress	45	40	5
Semifinished and finished goods	122	106	16
Merchandise	262	288	(26)
Total inventories	540	554	(14)

At December 31, 2006, the inventories of the Sequana Capital Group are held as collateral for €8 million (€5 million at December 31, 2005).

17. Other assets

Details are as follows:

€ in millions	12/31/2006	12/31/2005	Change
Other non-current assets			
Receivables for direct taxes	1	3	(2)
Receivables for disposals of intangible assets and property, plant and equipment	24	7	17
Other assets	30	23	7
Total other non-current assets	55	33	22
Other current assets			
Trade receivables			
Gross amount of trade receivables	1,004	1,102	(98)
Provision for impairment	(68)	(76)	8
Trade receivables from related parties	2	3	(1)
Trade receivables	938	1,029	(91)
Other receivables			
Receivables for direct taxes	75	94	(19)
Receivables for indirect taxes	45	14	31
Receivables for disposals of intangible assets and property, plant and equipment	47	36	11
Other receivables	114	173	(59)
Total other receivables	281	317	(36)
Total other current assets	1,219	1,346	(127)
Total other non-current and current assets	1,274	1,379	(105)

During the course of 2006, the Alpitour Group started a monthly securitization program of its trade receivables, the amount of which totals €55 million at October 31, 2006. The securitization operation formalized by Alpitour S.p.A. with Banca Calyon in Milan provides for a revolving credit line which can be used on a monthly basis up to a net amount of €55 million against the sale of the trade receivables. Furthermore, in accordance with the contract terms, in exchange for the monthly sale of receivables and the amount of utilization requested (monthly program), Alpitour is obliged to subscribe to short-term securities (30-day maturities) issued by a French-registered associate of the Calyon Group, the amount of which is determined on the basis of the quality of the receivables sold and the relative degree of concentration. At October 31, 2006, short-term securities were subscribed to for an amount of €46 million against a monthly program of €55 million; the net use of the securitization line at the year-end closing date is therefore equal to €9 million against a credit line made available by Calyon for €55 million.

The breakdown of other assets by maturity is as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	Total
Other non-current assets		32	23	55
Trade receivables	938			938
Other receivables	218		63	281
Balances at December 31, 2006	1,156	32	86	1,274
Other non-current assets		28	5	33
Trade receivables	1,029			1,029
Other receivables	254	2	61	317
Balances at December 31, 2005	1,283	30	66	1,379

18. Cash and cash equivalents

The reconciliation of cash and cash equivalents in the statement of cash flows and the corresponding line in the balance sheet is as follows:

€ in millions	12/31/2006	12/31/2005	Change
Cash and cash equivalents	362	595	(233)
Bank overdrafts and bank borrowings	(107)	(123)	16
Cash and cash equivalents	255	472	(217)

19. Assets held for sale

The lines on the balance sheet relating to assets or groups of assets held for sale are detailed as follows:

€ in millions	12/31/2006	12/31/2005
Assets held for sale		
<u>Non-current assets held for sale</u>		
Property, plant and equipment	10	25
Investments	19	
<u>Groups of assets held for sale</u>		
Goodwill	30	
Other intangible assets	1	
Property, plant and equipment	11	
Other non-current assets	1	
Inventories	12	
Trade receivables	25	
Other current assets	19	
Total	128	25
Liabilities relating to assets held for sale		
Provisions for other liabilities and charges	1	
Bonds and other debt	5	
Trade payables	23	
Other current liabilities	3	
Total	32	0

The groups of assets held for sale and the other property, plant and equipment relate to the Canson Grand Public activity of Arjowiggins, classified in "Assets held for sale" by Sequana Capital since it is expected to be sold, at the beginning of 2007, to the Hamelin Group, and some buildings and land owned by the Antalis Group, classified in "Assets held for sale" as part of the disposal program of a portfolio of properties in France, Spain, Italy, Germany, Switzerland and Finland.

The line "Investments" refers to Campi di Vinovo S.p.A., a company held by Juventus Football Club S.p.A. and classified here as a result of an agreement with Costruzioni Generali Gilardi S.p.A. which provided for the sale of the call option on the Campi di Vinovo shares to the same company.

Property, plant and equipment classified here in 2005 mainly consisted of the assets held by the "El Mandarin" hotel resort which was sold in 2006.

20. Equity attributable to the equity holders of the company

Capital stock

At December 31, 2006, IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares and 76,801,460 preferred shares with a par value of € 1 each.

The ordinary capital stock of the company is entirely held by Giovanni Agnelli e C. S.a.p.az.. IFI preferred shares are listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).

Pursuant to art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 10% to the legal reserve until it reaches one-fifth of capital stock;
- of the remaining amount, 1% is at the board of directors' disposition for distribution among its members;
- the remaining profit is appropriated as follows:
 - to preferred shares, a preference dividend of 5.17% of their par value, which is not cumulative from one year to the next;
 - after any appropriations to reserves, the residual amount is attributed equally to the ordinary and preferred shares.

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated, pursuant to art. 2443 of the Italian Civil Code, to the board of directors by the special stockholders' meeting held April 22, 2003.

Retained earnings and other reserves

€ in millions	Legal reserve	Reserve for translation differences	Reserve for stock-based compensation	Fair value reserve	Cash flow hedge reserve	Reserve for actuarial gains (losses)	Other reserves and retained earnings	Retained earnings and other reserves
Equity at January 1, 2005	33	(26)	1	105	(2)	(39)	1,452	1,524
Stock-based compensation			3					3
Effect of fair value change to investments and securities				157				157
Fair value change to cash flow hedge instruments					1			1
Actuarial gains (losses) recognized directly in equity						(47)		(47)
Translation differences		175						175
Other changes							(4)	(4)
Movements in equity accounts							120	120
Changes	0	175	3	157	1	(47)	116	405
Equity at December 31, 2005	33	149	4	262	(1)	(86)	1,568	1,929
Stock-based compensation			3					3
Effect of fair value change to investments and securities				594				594
Deferred taxes on fair value change to investments and securities				(28)				(28)
Transfer of fair value to income statement				(2)				(2)
Fair value change to cash flow hedge instruments					17			17
Actuarial gains (losses) recognized directly in equity						23		23
Translation differences		(86)						(86)
Other changes							(26)	(26)
Movements in equity accounts							676	676
Changes	0	(86)	3	564	17	23	650	1,171
Equity at December 31, 2006	33	63	7	826	16	(63)	2,218	3,100

Treasury stock

At December 31, 2006, IFI S.p.A. directly holds the following preferred shares of treasury stock:

€ in thousands	No. of shares	Carrying amount		% of class
		Per share (€)	Total (€ in thousands)	
IFI – preferred shares	5,360,300	13.15	70,477	6.98

During the year, there were no transactions involving preferred shares of treasury stock.

Dividends paid out

There were no dividends paid out from profits for the year ended December 31, 2005.

The board of directors' meeting put forward a motion to the ordinary stockholders' meeting called for the approval of the separate financial statements for the year ended December 31, 2006 to appropriate the entire profit to reserves.

21. Stock option plans

Stock option plans with underlying IFIL stock

At December 31, 2006, the stock option plans with underlying IFIL stock approved in the past by the board of directors of IFIL S.p.A. came to an end. Such plans can be described as follows:

- in May 2000, the IFIL S.p.A. board of directors approved a stock option plan for the directors and managers of IFIL S.p.A. and the parent, IFI S.p.A., for a maximum of 2,700,000 IFIL S.p.A. ordinary shares. A total of 2,691,500 options had been granted under this plan between 2000 and 2003, according to the level of responsibility held by the grantees in the corporate organization. Such options were exercisable up to December 31, 2006. The CEO and general manager, Virgilio Marrone, in 2006, subscribed to 85,800 shares at a price of €4.52 per share and 54,400 shares at a price of € 6.109 per share under this plan; at the end of 2006, the remaining 39,000 option rights also expired;
- in September 2003, a stock option plan was approved solely for the directors, for a maximum of 700,000 IFIL S.p.A. ordinary shares. A total of 532,000 options had been granted under this plan in 2003 to the chairman Gianluigi Gabetti for the same number of ordinary shares exercisable by December 31, 2006 at the price of € 2.28 each.

The movements during the year were as follows:

	Number of grantees	Number of options			Exercise price (a)
		Exercisable at start of 2006	Expired in 2006	Exercised in 2006	
IFIL 2000 Plan grants					
- 2000	15	522,000	522,000	-	6.997
- 2001	13	506,000	323,420	182,580	6.109
- 2002	13	810,250	142,050	668,200	4.52
		1,838,250	987,470	850,780	
IFIL 2003 Plan grants	1	532,000	-	532,000	2.28
		2,370,250	987,470	1,382,780	(b)

(a) Exercise price adjusted to take into account the cash capital stock increase in July 2003.

(b) Equal to 0.133% of current ordinary capital stock.

The market price of IFIL S.p.A. ordinary stock at December 29, 2006 was € 6.187. With regard to these plans, there were no transactions entered into to favor the purchase of shares pursuant to art. 2358, paragraph 3, of the Italian Civil Code.

Stock option plan with underlying Alpitour stock

On December 15, 2005, in execution of the resolution passed by the board of directors' meeting held on November 11, 2005, the Executive Committee of IFIL S.p.A. approved a stock option plan for two managers of the Alpitour Group designed to promote their loyalty to the IFIL Group and provide an incentive to develop and appreciate the investments of the IFIL Group in the tourism sector.

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's capital stock. After approval on the part of IFIL S.p.A., the Alpitour S.p.A. board of directors may in the future grant purchase options on Alpitour shares equal to 4% (now 1,418,000 shares) of Alpitour's capital, to other managers who hold important operating positions.

The purchase options may be exercised, at one or more times, during the period between the dates of the approval of the 2006/2007 and 2008/2009 Alpitour financial statements at the price of € 2.24 per share, corresponding to the valuation of the Alpitour Group, equal to € 79.4 million, performed in December 2005 by a specially appointed expert. IFIL S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour S.p.A. shares that will have been purchased by the same managers; the exercise price will be established on the basis of the appraisal which will be performed using the same valuation principles applied in December 2005 valuation.

From an accounting standpoint, the plan is a "cash-settled stock-based payment transaction" subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and, therefore, the options of the plan, at every closing date up to its expiration.

At December 31, 2006, the fair value of each option right of the plan was estimated at € 1.6 for a total of € 6,239,200, of which € 3,119,600 was recognized in 2006 in the income statement in "Other nonrecurring income (expenses)". The liability was recorded in "Other non-current liabilities".

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

1. The exercise price of the options was assumed as the par value of one Alpitour S.p.A. ordinary share at the grant date, quantified on the basis of an estimate performed by an independent expert and equal to € 2.24, rounded off.
2. The fair value of the underlying share (Alpitour S.p.A. ordinary share) at the date of reference of December 31, 2006, was quantified on the basis of an estimate by an independent expert and equal to € 3.38, rounded off, for each ordinary share.
3. The expiration date of the option was established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2008/2009, fixed, conventionally, as January 31, 2010. At the date of reference of December 31, 2006, the option thus has a remaining life of 37 months (3 years and 1 month). The options will vest at the end of the vesting period (January 31, 2008) and can be exercised from that date until the expiration date (January 31, 2010).
4. The expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour S.p.A..
5. The absence of the payment of dividends is assumed for the application of the valuation model.

6. The risk-free interest rate is assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan.
7. An assumption was also included in the "binomial" model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

Sequana Capital S.A. stock option plans

Sequana Capital granted options to subscribe to the stock of the company to some employees and directors of the company. The plans were approved by the stockholders' meetings held on May 19, 1998, May 21, 2003 and May 3, 2005. The exercise price of these options is fixed, without reductions, on the basis of period market prices. According to the plans in force, the stock may not be subscribed or sold prior to the end of the four-year fiscal unavailability period and the options may not be exercised after eight years from the date they were granted.

The stock option plans in effect are the following:

	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8	Plan 9	Total
Date of the directors or board of directors' meeting	5/4/00	4/5/01	4/6/01	4/11/02	10/31/02	5/15/03	6/18/04	5/3/06	5/10/06	
Date of the stockholders' meeting	5/19/98	5/19/98	5/19/98	5/19/98	5/19/98	5/19/98	5/21/03	5/3/05	5/3/05	
Number of shares that can be subscribed to or purchased at the start of the plan	235,000	115,000	115,000	658,300	302,500	420,000	55,000	515,000	90,000	
Exercise period	from 5/4/02	5/4/03	4/6/03	4/11/04	10/31/04	5/15/05	6/18/04	5/3/09 (a)	5/10/10	
	to 5/4/08	5/4/09	4/6/09	4/11/10	10/31/10	5/15/11	6/18/12 (a)	5/3/13	5/10/14	
Exercise price at the start of plan	€ 16.00	19.50	19.50	20.30	16.00	16.90	20.47	23.50	25.46	
Adjusted exercise price at December 31, 2006	€ 13.06	15.91	15.91	16.90	13.69	14.47	17.53	20.46	22.17	
Movements:										
Total number of shares at January 1, 2004	252,105	123,402	123,405	640,184	310,064	420,000				1,869,160
New plan and adjustments							55,000			55,000
Options exercised	(218,390)									0
Options expired				(25,670)						0
Total number of shares at December 31, 2004	33,715	123,402	123,405	614,514	310,064	420,000	55,000	0	0	1,680,100
New plan and adjustments	591	1,180	1,545	10,419	5,335	7,054	930	515,000		542,054
Options exercised	(12,937)	(124,582)	(121,596)	(32,105)	(69,858)	(13,000)				(374,078)
Options expired				(7,337)						(7,337)
Total number of shares at December 31, 2005	21,369	0	3,354	585,491	245,541	414,054	55,930	515,000	0	1,840,739
New plan and adjustments	3,584		727	71,868	36,588	86,896	12,098	111,556	109,476	432,793
Options exercised	(17,642)			(507,924)	(282,129)	(12,928)				(820,623)
Options expired				(11,787)						(11,787)
Total number of shares at December 31, 2006	7,311	0	4,081	137,648	0	488,022	68,028	626,556 (b)	109,476	1,441,122

- (a) For the plans issued on May 3, 2005 and May 10, 2006, the rights to the options are gradually acquired by the grantees in successive tranches over three years, one-third of the options granted per year of presence
- (b) Including 304,153 options granted to Tiberto Brandolini D'Adda who is also a director of IFI S.p.A..

In accordance with IFRS, plans introduced after November 7, 2002 are measured in the financial statements of the Sequana Capital Group starting from January 1, 2005 according to the binomial model using the following assumptions: volatility: 30%; expected dividend yield rate: 3%; risk-free interest rate: between 3.25% and 4.25%, depending on the plans.

Accordingly, personnel costs were recorded for € 1 million in 2006 (€ 1.1 million in 2005).

Options outstanding and options exercisable at the end of the years 2006 and 2005 are as follows, together with an indication of the relative weighted average prices for the year.

	December 31, 2006		December 31, 2005	
	Number of shares	Weighted average exercise price (€)	Number of shares	Weighted average exercise price (€)
Options outstanding at the beginning of the year	1,840,739	19.40	1,680,100	18.11
Options outstanding at the end of the year (a)	1,441,122	18.03	1,840,739	19.40
Options exercisable at the end of the year	705,090	15.23	1,269,809	17.71

- (a) Taking into account the options granted, lapsed or exercised during the year and, with regard to the years 2005 and 2006, the adjustments which followed as a result of the dividends drawn from reserves and, for the year 2006, the adjustments made following the buyback or the possibility of all the stockholders buying back the Sequana Capital shares at a lower price than the stock market price (November 2006 Purchase and Exchange Offering).

Stock bonus plans

In 2006, Sequana Capital, Arjowiggins and Antalis granted options for the subscription of shares at no charge.

Sequana Capital

The board of directors' meeting held on March 28, 2006 decided to grant stock of the company at no charge to three directors of the company at the following terms:

Grant date	Shares assigned			Definitive vesting starting from	Possible sale starting from	Shares acquired in 2006	Shares lapsed	Balance of shares at 12/31/2006	Per share measurement IFRS 2 (€)
	Number of grantees	Number of shares	Adjusted number of shares (a)						
3/28/2006	3	28,100	29,765 (b)	3/29/2008	3/30/2010	0	0	29,765	22.87

- (a) Adjustment, envisaged by law and by the plan, carried out in December 2006 following the buyback of treasury stock by Sequana Capital.
(b) Including 12,340 options granted to Tiberto Brandolini D'Adda who is also director of IFI S.p.A..

Arjowiggins and Antalis

In order to promote the loyalty of the key managers of the two subsidiaries which constitute the main business sectors of the Group and to directly involve them in the management and in the results of their companies, a decision was taken to introduce a stock bonus plan linked to an initial investment by the interested parties in their companies.

The number of shares granted to each grantee is not fixed at the start but depends on the performance of their companies (the growth in value within the Sequana Capital Group between December 31, 2005 and December 31, 2008) and the number of shares of the company which the manager will have purchased in advance from Sequana Capital.

A summary of the plans follows:

Grant date	Shares assigned			Definitive vesting starting from	Possible sale starting from	Shares acquired in 2006	Shares lapsed	Balance of shares at 12/31/2006	Per share measurement IFRS 2 (€)
	Number of grantees	Number of shares (a)	Adjusted number of shares						
Arjowiggins 12/1/06	13	36,754	-	5/1/2009	5/2/2011	0	0	36,754	70.15
Antalis 12/8/06	8	135,254	-	5/1/2009	5/2/2011	0	0	135,254	25.26

- (a) On the basis of the number of shares previously purchased from the grantees and assuming a rate of growth in value of 5%.

Put and call options were exchanged between Sequana Capital and the grantees of the stock plans which guarantee that Sequana Capital will repurchase the shares purchased at the start and the stock granted at no charge at a price which corresponds to the value attributed to the interested company within the Sequana Capital Group in the year prior to the one in which the options can be exercised.

Alpitour S.p.A. stock option plan

The stock option plan approved on December 15, 2000 on behalf of the directors, managers and middle management of Alpitour expired on August 31, 2006 and there were no requests to exercise the options received from the grantees of the plan.

22. Earnings per share

		Year 2006	Year 2005
Average number of ordinary shares issued (a)	number	86,450,000	86,450,000
Average number of preferred shares outstanding, net of treasury stock	number	71,441,160	71,441,160
Net earnings attributable to the equity holders of the company	€ in ml	221	676
Earnings attributable to ordinary shares	€ in ml	119	368
<i>per ordinary share</i>	€	1.379	4.256
Earnings attributable to preferred shares	€ in ml	102	308
<i>per preferred share</i>	€	1.431	4.307
Earnings from continuing operations	€ in ml	221	208
Earnings from continuing operations attributable to ordinary shares	€ in ml	119	112
<i>per ordinary share</i>	€	1.379	1.292
Earnings from continuing operations attributable to preferred shares	€ in ml	102	96
<i>per preferred share</i>	€	1.431	1.344
Earnings from discontinued operations	€ in ml	0	468
Earnings from discontinued operations attributable to ordinary shares	€ in ml		254
<i>per ordinary share</i>	€		2.940
Earnings from discontinued operations attributable to preferred shares	€ in ml		214
<i>per preferred share</i>	€		2.991

(a) The Group does not hold ordinary treasury stock.

23. Equity attributable to the minority interest

Details are as follows:

€ in millions	December 31, 2006			December 31, 2005			
	%	Capital and reserves	Profit (loss)	Total	Capital and reserves	Profit (loss)	Total
IFIL Group	36.3	2,325	575 ^(a)	2,900	2,397	597	2,994

(a) Including €396 million relating to the minority interest's share of the net gain on the sale of SGS.

24. Provisions for employee benefits

The composition is as follows:

€ in millions	Current portion		Non-current portion	
	12/31/2006	12/31/2005	12/31/2006	12/31/2005
Alpitour Group			21	20
Juventus Football Club S.p.A.			1	2
IFI and IFIL "Holdings System"			5	4
Sequana Capital S.A.	7	12	110	146
Total	7	12	137	172

The breakdown of the provisions by expected utilization is as follows:

€ in millions	December 31, 2006		December 31, 2005	
	From 1 to 5 years	Beyond 5 years	From 1 to 5 years	Beyond 5 years
Total	59	78	62	110

Changes during 2006 and 2005 are presented as follows:

€ in millions	Balances at		Release of provisions used	Release of provisions not used	Change in the scope of consolidation	Other changes	Balances at 12/31/2006
	12/31/2005	Accruals					
Alpitour Group	20	4	(3)				21
Juventus Football Club S.p.A.	2		(2)			1	1
IFI and IFIL "Holdings System"	4					1	5
Sequana Capital S.A.	158	11	(24)	(10)		(18)	117
	184	15	(29)	(10)	0	(16)	144
Effect on the income statement:							
Result from current operations		13	(20)	(10)			
Other nonrecurring income and expenses		2	(9)				

€ in millions	Balances at		Release of provisions used	Release of provisions not used	Change in the scope of consolidation	Other changes	Balances at 12/31/2005
	12/31/2004	Accruals					
Alpitour Group	17	4	(3)		(1)	3	20
Juventus Football Club S.p.A.	2						2
IFI and IFIL "Holdings System"	4	1				(1)	4
Sequana Capital S.A.	149	9	(19)	(1)		20	158
	172	14	(22)	(1)	(1)	22	184
Effect on the income statement:							
Result from current operations		5	(3)	(1)			
Other nonrecurring income and expenses		9	(19)				

An analysis of employee benefits by Group is as follows:

IFI, IFIL "Holdings System", Alpitour Group and Juventus Football Club S.p.A.

Employee severance indemnities

Employee severance indemnities reflect the indemnity payable to employees which accrues over the service life and which is paid upon termination of employment. The indemnity may be paid in advance during the employee's service life if certain conditions are met.

In accordance with IAS 19 – Employee Benefits, the Italian companies of the Group have included employee severance indemnities under defined benefit plans and measures them with actuarial techniques using the Project Unit Credit Method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, IFI S.p.A. and IFIL S.p.A. guarantee other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements. These are described in Note 19 of the separate financial statements.

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2006, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2006	12/31/2005
Discount rate	4.25%	4.00%
Expected remuneration increase	2-3.50%	2-3.50%
Cost-of-living increase	2.00%	2.00%

In addition to the above financial indexes, all the demographic assumptions have also been taken into account relating to the probability of events such as death, disability, dismissal and retirement of the employees.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

The plan assets do not include IFI S.p.A. treasury stock.

The plan assets consist of debt instruments issued by third parties and other investments.

Sequana Capital Group

Change in actuarial obligation

€ in millions	December 31, 2006			December 31, 2005		
	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
Actuarial obligation - Opening balance	1,115	20	1,135	982	22	1,004
Service costs	19		19	19		19
Interest costs	52	1	53	50	2	52
Contributions by plan participants	3		3	4		4
Plan amendments	(10)		(10)			0
Additions/deductions			0			0
Actuarial (gains) and losses	(13)	(2)	(15)	80		80
Benefits paid	(55)	(4)	(59)	(54)	(4)	(58)
Other changes (including exchange differences)	1		1	34		34
Actuarial obligation - Closing balance	1,112	15	1,127	1,115	20	1,135
Actuarial obligation at the closing date						
Funded, wholly or partially	1,069		1,069	1,061		1,061
Unfunded	43	15	58	54	20	74

Change in plan assets

€ in millions	December 31, 2006			December 31, 2005		
	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
Fair value of plan assets - Opening balance	1,002		1,002	881		881
Expected return of plan assets	53		53	49		49
Contributions by employer	35		35	38		38
Contribution by plan participants	3		3	4		4
Additions/deductions			0			0
Benefits paid	(52)		(52)	(50)		(50)
Actuarial (gains) and losses	(2)		(2)	54		54
Other changes (including exchange differences)	(1)		(1)	26		26
Fair value of plan assets - Closing balance	1,038	0	1,038	1,002	0	1,002
Actual return of plan assets	5.02%			11.72%		
Percentage composition of plan assets:						
Stocks	21.00%			22.00%		
Bonds	70.00%			69.00%		
Other	9.00%			9.00%		

Funded

€ in millions	December 31, 2006			December 31, 2005		
	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
Funded	(75)	(15) ^(a)	(90)	(113)	(20) ^(a)	(133)
Limit due to reaching the ceiling of plan assets	(7)		(7)	(7)		(7)
Net amount recognized	(82)	(15)	(97)	(120)	(20)	(140)
Geographical breakdown						
United Kingdom	(11)		(11)	(24)		(24)
Other European Union countries	(40)	(15)	(55)	(46)	(19)	(65)
Switzerland	1		1	2	(1)	1
North America	(30)		(30)	(49)		(49)
Other countries	(2)		(2)	(3)		(3)

- (a) In 2006, this amount includes the accrual for pension plans and employee benefits of €118 million (€158 million in 2005) and receivables for €17 million (€17 million in 2005). The difference of €4 million in 2006 (€1 million in 2005) corresponds to the total accruals associated with the subsidiaries excluded from the application of IAS 19, since they were not significant at an individual level.

Analysis of gains and losses recognized

€ in millions	December 31, 2006			December 31, 2005		
	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
Gains (losses) at opening	21		21	(6)		(6)
Change during the year	(4)		(4)	27		27
Gains (losses) recognized at closing	17	0	17	21	0	21

Analysis of net cost of employees

€ in millions	December 31, 2006			December 31, 2005		
	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
Current service cost	19		19	19	1	20
Interest cost	52	1	53	50	1	51
Expected return on plan assets	(53)		(53)	(49)		(49)
Amortization of actuarial (gains) losses		(2)	(2)	1		1
Amortization of plan amendments	(6)		(6)			0
Effect of curtailments or settlements	(3)		(3)			0
Limitations on plan assets			0			0
Total net cost	9	(1)	8	21	2	23

Actuarial assumptions used

	December 31, 2006			December 31, 2005		
	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
For the determination of obligations at year-end						
Discount rate - inflation included	4.96%	4.18%		4.62%	3.80%	
Future salary increase	3.86%	2.76%		3.56%		
Increase in health care costs	11.58%			10.00%		
For the determination of the cost for the year						
Discount rate - inflation included	4.62%	3.80%		5.09%	4.22%	
Future salary increase	3.56%			3.62%		
Expected return on plan assets	5.50%			5.54%		
Increase in health care costs	10.00%			10.00%		

Actuarial assumptions used broken down by geographical area

	December 31, 2006				December 31, 2005			
	United Kingdom	Other European countries	Switzerland	North America	United Kingdom	Other European countries	Switzerland	North America
Discount rate - inflation included	5.10	4.46	2.85	5.75	4.75	4.00	2.60	5.50
Expected return on plan assets	5.57	4.42	3.90	8.00	5.27	4.54	3.56	8.00
Future salary increase	4.21	3.03	1.00	4.00	4.01	2.92	1.00	4.00
Increase in pension costs	2.84	1.95	0.50	3.00	2.72	2.08	0.50	3.00

Sensitivity analysis – On total employee obligations

€ in millions	Benchmark discount rate -0.50%	Benchmark discount rate	Benchmark discount rate +0.50%
Fair value of obligations at December 31, 2006	1,231	1,128	1,031

Sensitivity analysis – On medical care costs

€	Impact on normal cost and interest of obligation	Impact on actuarial obligation
Impact at December 31, 2006 of changes in the assumptions used for the increase in health care costs		
Increase of 100 basis points	74,167	773,401
Decrease of 100 basis points	(75,439)	(814,301)

The amount to be paid for 2007 by the Sequana Capital Group for pension obligations is estimated in €30 million.

Description of obligations under defined benefit plans

Under these pension plans, contributions are made for pensions, pension supplements and indemnities.

The principal pension plan obligations are in the United Kingdom, in the United States, in France and in Switzerland and represent 92% of the total obligations of the Sequana Capital Group.

In the United Kingdom, the main obligations regard two pension plans as follows:

- the WTPS defined benefit plan for employees of ArjoWiggins and some of the employees of Antalis;
- the ArjoWiggins plan for certain employees of Antalis UK (based on their location). This plan was closed to employees in 2005 and was replaced by a defined benefit plan.

The mortality table was updated for the WTPS plan in 2006 and generated an increase in the pension obligations of approximately GBP 25 million, recognized in equity.

In the United States, the two main pension obligations of the subsidiary Appleton Coated LLC refer to the following:

- the defined benefit pension plan;
- the health care for retired employees.

In France, the two main defined benefit plans are:

- the RCR plan, for certain categories of management employees of ArjoWiggins. This plan was closed to new employees, starting from 1981;
- the severance indemnity plan of ArjoWiggins.

In Switzerland, a defined benefit plan is in place for employees of Antalis.

Return on plan assets

The return on plan assets is determined on the basis of the allocation of the assets, projections of the expected return and historical experience.

UK pension funds

The British subsidiaries of the Sequana Capital Group use defined benefit pension plans. In 2004, the trustee administrator of the pensions funds, on the basis of the actuarial calculation performed by its actuary, unilaterally decided to ask Sequana Capital Group for an additional contribution of GBP 49.5 million to be paid on a straight-line basis from 2004 to 2008 to fund the plans which it manages.

At December 31, 2006, the remaining balance of this additional contribution amounts to British pounds 19.8 million. The obligation was accrued in accordance with IFRS on the basis of the above actuarial assumptions. The payments made to pay off the balance of this additional contribution are reflected, when paid, in the calculations of the liability performed each year.

In 2006, the Trustee, on the basis of the actuarial calculation performed by its actuary at December 31, 2005, again decided, unilaterally, that the funding requirements for the pension fund for the next five years will be GBP 105 million. The Sequana Capital Group disputed this amount, which it believes to be completely unfounded legally, and brought the dispute before the pension regulator (the British administrative regulatory authority for pension funds) in September 2006. Despite this, the Trustee sent a request for deficiency contributions on December 19, 2006, asking the Group to pay GBP 1.75 million a month for five years starting from January 19, 2007. The Sequana Capital Group has refused to

pay this new additional contribution while awaiting the outcome of the mediation in progress with the pension regulator.

25. Provisions for other liabilities and charges

The composition of the provisions is as follows:

€ in millions	Current portion		Non-current portion	
	12/31/2006	12/31/2005	12/31/2006	12/31/2005
Restructuring provisions	54	13	12	2
Fox River disputes provisions	6	3	115	137
DG IV disputes provisions	184	0	0	184
Ecological risks provisions	7	10	27	36
Other risks provisions	32	10	96	132
Total	283	36	250	491

The breakdown of provisions by expected use is as follows:

€ in millions	December 31, 2006			December 31, 2005		
	From 1 to 5 years	Beyond 5 years	Total	From 1 to 5 years	Beyond 5 years	Total
Restructuring provisions	12		12	2		2
Fox River and DG IV disputes provisions	60	55	115	208	113	321
Ecological risks provisions	26	1	27	34	2	36
Other risks provisions	8	88	96	23	109	132
Total	106	144	250	267	224	491

Details of changes during 2006 and 2005 relating to current and non-current provisions are as follows:

€ in millions	Balance at 12/31/2005	Accruals	Release of provisions		Other changes	Balance at 12/31/2006
			used	not used		
Restructuring provisions	15	59	(6)	(1)	(1)	66
Fox River and DG IV disputes provisions	324	3	(7)	(4)	(11)	305
Ecological risks provisions	46	6	(6)	(12)		34
Other risks provisions	142	17	(14)	(19)	2	128
	527	85	(33)	(36)	(10)	533

Effect on the income statement:

Operating profit (loss) from current operations	11	(7)			
Other nonrecurring income (expenses)	66	(26)	(30)		
Other financial income (expenses)	8		(6)		

€ in millions	Balance at 12/31/2004	Accruals	Release of provisions		Other changes	Balance at 12/31/2005
			used	not used		
Restructuring provisions	23	8	(16)	(1)	1	15
Fox River and DG IV disputes provisions	249	70	(10)	(5)	20	324
Ecological risks provisions	16	22	(4)	(8)	20	46
Other risks provisions	170	15	(7)	(1)	(35)	142
	458	115	(37)	(15)	6	527

Effect on the income statement:

Operating profit (loss) from current operations	14	(22)			
Other nonrecurring income (expenses)	95	(15)	(9)		
Other financial income (expenses)	6		(6)		

The restructuring provisions relate to the corporate restructuring programs of the Sequana Capital Group.

The Fox River and DG IV disputes provisions refer to accruals made by the Sequana Capital Group for the Fox River environmental risks and the fine levied by the European Commission for the alleged violation of fair trade practices. Additional information is provided in Note 26 "Pending litigation".

The other risks provisions include accruals set aside by the individual companies mainly in respect of contractual, commercial and litigation risks.

26. Pending litigation

IFIL S.p.A. and subsidiaries in the "Holdings System"

On February 13, 2007, the measure was notified by Consob with regard to the content of the press release dated August 24, 2005. The measure provides, among other things, for pecuniary and additional administrative sanctions to be borne by the directors of IFIL S.p.A. and the company itself.

The pecuniary administrative sanction levied on IFIL S.p.A., equal to €4.5 million, was recorded in the financial statements for the year ended December 31, 2006.

Additional information is provided in the Directors' Report on Operations.

On May 9, 2006, The Turin Court rejected the request to cancel the resolution to increase IFIL capital stock reserved for IFI S.p.A. passed by the special stockholders' meeting of IFIL S.p.A. held on June 23, 2003, as well as the request for compensation of damages filed by K Capital.

On February 14, 2006, the buyer of the investment in La Rinascente filed for arbitration against Ifil Investissements S.A. seeking compensation for an amount of approximately €37.6 million (in addition to interest, monetary revaluation, court expenses and legal fees) for extraordinary expenses relating to certain points of sale.

Ifil Investissements submitted to the arbitration proceedings and is taking exception to the claims which it believes are invalid and unacceptable and, in any case, completely unfounded. Moreover, the question that is raised regards aspects that have either been excluded or are not covered by the guarantees in the contract.

Furthermore, on September 5, 2006, the buyer filed another arbitration claim against Ifil Investissements seeking a total of approximately €14.8 million in compensation principally in connection with the accounting treatments used in the financial statements at December 31, 2004.

In the opinion of Ifil Investissements, such claims are invalid and/or groundless. In any case, according to Ifil Investissements, such requests remain covered by exclusions or limitations regarding the obligations for compensation as stated in the contract.

Sequana Capital – Fox River and European Commission (DG IV) disputes

Fox River

In 1998, the American authorities, the Environmental Protection Agency (EPA), brought suit against Appleton Papers Inc. (API was then a subsidiary of Arjo Wiggins Appleton), NCR Corporation and five other American paper manufacturers for the alleged contamination of the Fox River in the State of Wisconsin.

This event took place at the beginning of the 1950s when NCR Corporation had perfected a process for the manufacture of carbonless paper using polychlorinated biphenyl emulsions which, at that time, it had licensed until 1971, to a certain number of paper manufacturers, the most important of which was API, a division of NCR.

This process had already been abandoned three years before the use of polychlorinated biphenyl had been banned in the United States, beginning from 1974.

Appleton Papers Inc. was later purchased by British American Tobacco (BATUS) in 1978 and then by Arjo Wiggins Appleton (AWA) in 1990. On this occasion, AWA continued to benefit from the guarantees over liabilities agreed by British Tobacco which allowed them to share certain costs with NCR borne by Appleton Papers Inc.

The Fox River event in 1997 naturally came under this category.

In 2001, Appleton Papers Inc. was sold by AWA and a guarantee was given to the buyers regarding all the liabilities resulting from the Fox River dispute. This guarantee consisted of a deposit made with the insurance company AIG, equal to \$ 163 million, deducted from the price received at the time of the sale. The deposit partially earns interest at 2.02%.

At December 31, 2006, the deposit amounts to € 85 million (see Note 15), equal to \$ 112 million, including capitalized interest less research and defense costs.

In 2001, the Group had also accrued an amount of \$ 125 million, which corresponded to the best estimate at that time, of its share of the expenses discounted to present value to reclaim the Fox River.

In 2003, the "Department of Natural Resources" of Wisconsin, and the federal government published a first long-term action plan for the work to be carried out by 2045. This was based on surveys of the river bed and different technical solutions that could be adopted to decontaminate the Fox River, at an estimated total cost of \$ 400 million, to be borne by the industries involved.

This first official estimate had no effect on the accrual already booked by the Sequana Capital Group since it confirmed the estimate which had already led to the quantification of the accrual in 2001.

In 2005, events arose which led to a significant increase in the estimate of the reclamation costs:

- identification of new polluted areas;
- adoption of new technical solutions for decontamination;
- probable increase in the volumes of the sediments to be decontaminated.

Moreover, since the 2001 agreements for the sharing of the costs between Appleton Papers Inc and NCR expired, the two companies had agreed to a new sharing plan by virtue of an arbitration ruling decided in November 2005. This arbitration ruling, without any possibility of appeal, has established a 10% increase in the portion of the costs to be paid by API.

This led the Sequana Capital Group to revise its 2001 estimates and set aside a further amount of \$ 87.7 million (€ 70 million) which has been determined on the basis of the new estimated reclamation costs to be completed by 2045 and the new portion of the expenses to be borne by Appleton Papers Inc. discounted to present value at 4.95%, which corresponds to the rate on 30-year bonds issued by the American government.

After charging the research and defense costs already incurred by Appleton Papers Inc. since 2001 (approximately \$ 57 million at December 31, 2006), the Fox River provision amounts to \$ 160 million (€ 121 million at December 31, 2006, see Note 25), compared to \$ 165 million (€ 140 million) December 31, 2005.

However, in July 2003, a ruling by the 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 those same contracts. AWA Ltd retained the benefit of these insurance contracts, even after the sale of Appleton Papers Inc. in 2001.

Negotiations are currently underway with the insurance companies to obtain, on one hand, the reimbursement of the research and defense costs already incurred and, on the other, for them to take up the decontamination costs to be sustained in the future.

Negotiations with the insurance companies continue; considering their uncertain nature, no accruals have been made concerning the compensation to be received, albeit AWA in

2005 and 2006 has already received compensation from the insurance companies totaling \$ 45 million for the reimbursement of defense costs.

European Commission (DG IV)

The inquiry by the Commission for the alleged violation of fair trade practices had ended in July 2000 with notification of a fine, against 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 the company had accrued in full in the 2001 financial statements.

During the first half of 2002, the company filed an appeal to revoke 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, had 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. After a first hearing held on June 16, 2005, a sentence was handed down during the first half of 2006 which will be communicated to the company by the end of April 2007. At December 31, 2006, the accrual has been calculated on the basis of the maximum potential risk.

Alpitour Group – Bravo Club Zanzibar

In reference to the damages to the “Bravo Club” resort in Zanzibar caused by the fire in January 2001, a case is pending before the competent authorities in Tanzania to establish the compensation for damages due from Royal Insurance. During 2005, Royal Insurance was sentenced, in the judgment of first instance, to pay the damages requested in addition to interest and legal fees. The insurance company appealed this decision and the case is now being judged in the second instance. Based on available information, it is believed that there is reasonable certainty that the judgment of the first instance will be upheld. Therefore, a receivable of €1.5 million due from Royal Insurance has been kept in the financial statements and is recorded in “Other receivables”.

Juventus Football Club

Sports proceedings against the company

On July 14, 2006, the Federal Appeals Commission (CAF) issued its ruling in the sports proceedings against the company, begun with the disciplinary referral of June 22, 2006, specifying the penalties for Juventus Football Club as follows: “relegation of the team to last place in the 2005/2006 championship, a 30-point penalty in the 2006/2007 season’s rankings, revocation of the title of champion of Italy 2004/2005, non-recognition of the title of champion of Italy 2005/2006 and a fine of €80,000”.

The company filed an appeal with the Federal Court.

On October 27, 2006, the sports proceedings were concluded and the CONI Sports Conciliation and Arbitration Board confirmed the team’s relegation to Serie B, the fine of €120,000 and reduced the point-penalty deduction for the team in the current Serie B Championship from -17 to -9 points. The same Arbitration Board levied another fine, in lieu of disqualifying the home playing field (a sanction suspended by a precautionary measure on September 6, 2006), for an amount equal to the receipts of the first three home games, a total of €194,450.

Other investigations and proceedings pending against the former directors of Juventus Football Club

The penal proceedings regarding Antonio Giraudo and Luciano Moggi assigned to the Assistant District Attorney Bruno Tinti, is pending before the Turin District Attorney's Office for the following offenses: 2621-2622, paragraph 3 of the Italian Civil Code (accounting fraud) and articles 2 and 8 Law 74/2000 (issue of invoices or other documents for non-existent transactions and fraudulent declarations based on the use of these documents). The proceedings are still currently in the preliminary investigation stage.

As regards the position concerning only the former CEO Antonio Giraudo, the appeal is pending in the Supreme Court of Cassation by the District Attorney General against the acquittal ruled by the Turin Court of Appeals regarding the above defendant charged with the offense of sports fraud in the case known as the "doping trial".

Pending before the Rome District Attorney's Office is the criminal proceeding for the offense of conspiracy to engage in unlawful competition (art. 513 bis of the Italian Penal Code) in reference to the management of players through the company GEA World in which the defendants include, among others, the former director and general manager Luciano Moggi. In February, the Public Prosecutor asked that he be committed to trial.

Investigations currently underway following the tragedy at the Vinovo Training Center

Following the accident that occurred on December 15, 2006 at the Vinovo Training Center, the Turin District Attorney's office opened an inquiry to ascertain the state of the places, the facts surrounding the accident, the characteristics and observance of regulations, also in relation to the use of the sports facilities. Those under investigation are Maurizio Schincaglia and Lorenzo Frison, respectively the trainer and goalkeeper coach, and Renato Opezzi CEO of the company Semana S.r.l. and Jean Claude Blanc and Alessandro Sorbone, respectively the CEO and employee manager of Juventus Football Club S.p.A.. The proceedings are currently in the inquiry stage while awaiting the technical opinions requested by the Public Prosecutors heading the inquiry.

Como Calcio bankruptcy

The bankruptcy of Como Calcio, in June 2006, led to a suit being brought against Juventus for the payment of the sum of € 1,580,000 allegedly still due to Como Calcio for the definitive sale of the registration rights of the players Piccolo and Pederzoli.

Juventus Football Club appeared before the courts and asked for the rejection of the bankruptcy filing since the sum had already been paid and also for Mr. Preziosi to appear in court so that Juventus would be relieved of responsibility and not be held accountable for damage compensation in the event of a judgment against Juventus. The case was adjourned to the first hearing set for May 30, 2007 in order to allow for the appearance of Mr. Preziosi.

Claim for damages by Brescia Calcio S.p.A.

Under the appeal received by the company on November 27, 2006, Brescia Calcio S.p.A. asked the CONI Sports Conciliation and Arbitration Board to order Juventus Football Club and F.I.G.C to pay damages of € 30 million on the grounds that "Brescia did not play in Serie A" in the 2005/2006 soccer season owing to sports offenses committed by the managers of Juventus Football Club as confirmed by the sports proceedings of the summer.

In a brief filed on December 7, 2006, the company appeared before the Board and pleaded for the rejection of the claims made by Brescia Calcio on the grounds that they are completely unfounded in fact and law and pleaded, on a preliminary basis, that the CONI Sports Conciliation and Arbitration Board has no jurisdiction to hear the proceeding.

On December 12, 2006, F.I.G.C. appeared before the Board and also pleaded for the rejection of the claims made by Brescia Calcio on the grounds that they are completely unfounded in fact and law and pleaded, on a preliminary basis, that the CONI Sports Conciliation and Arbitration Board has no jurisdiction to hear the proceeding.

At the March 13, 2007 hearings, the Arbitration Board fixed a discussion hearing for April 17, 2007, giving the parties time to file their defenses and briefs.

27. Consolidated net financial position

The composition of the gross and net financial position of the consolidated companies is as follows:

€ in millions	Gross financial position (borrowings)/ cash	Financial assets	Net financial position (borrowings)/cash
IFI S.p.A.	(161)	63	(98)
IFIL S.p.A. and the "Holdings System"	(477)	863	386
Sequana Capital Group	(686)	306	(380)
Alpitour Group	(123)	94	(29)
Juventus Football Club S.p.A.	(77)	2	(75)
Total	(1,524)	1,328	(196)

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of the IFI Group is provided below:

€ in millions	12/31/2006	12/31/2005	Change
Non-current financial liabilities			
IFIL 2006/2011 bonds	(199)	0	(199)
Debt	(578)	(909)	331
Other financial liabilities	0	(11)	11
Total non-current financial liabilities	(777)	(920)	143
Non-current financial assets – Financial receivables	4	5	(1)
Non-current net financial position (A)	(773)	(915)	142
Current financial liabilities			
IFIL 2003/2006 bonds	0	(100)	100
Current portion of medium/long-term debt	(24)	(40)	16
Debt	(723)	(1,000)	277
Debt with Giovanni Agnelli e C. S.a.p.az.	0	(14)	14
Other loans and debt	0	(1)	1
Total current financial liabilities	(747)	(1,155)	408
Current financial assets			
Financial receivables	2	4	(2)
Credit instruments	954	978	(24)
Other financial assets	6	6	0
Total current financial assets	962	988	(26)
Cash and cash equivalents	362	595	(233)
Current net financial position (B)	577	428	149
Consolidated net financial position (A+B)	(196)	(487)	291

There are no financial receivables or payables balances with related parties.

28. Bonds and other debt

The composition is as follows:

€ in millions	Non-current portion		Current portion	
	12/31/2006	12/31/2005	12/31/2006	12/31/2005
IFIL 2006/2011 bonds	(199)	0		
IFIL 2003/2006 bonds				(100)
Debt	(578)	(909)	(723)	(1,000)
Debt with Giovanni Agnelli e C. S.a.p.az.			0	(14)
Current portion of medium/long-term debt			(24)	(40)
Other financial liabilities	0	(11)		(1)
Total bonds and other debt	(777)	(920)	(747)	(1,155)

The IFIL 2006/2011 bonds issued on June 9, 2006 for a face value of €200 million, maturing June 9, 2001, pay interest at the 3-month Euribor plus a spread of 68 basis points.

Standard & Poor's rated the bonds BBB+, which is the also the current rating of IFIL S.p.A.'s long-term debt. In order to guarantee a fixed rate for the entire period of the bonds, interest rate swap contracts were put into place on the full amount. At December 31, 2006, the fair value is a positive € 1,864 thousand.

The IFIL 2006/2011 bonds contain covenants that are common in international practice for bond issues of this type, such as, in particular, negative pledge clauses (the obligation to extend any real present or future guarantees given as collateral on the assets of the issuer on other bonds and other credit instruments to these bonds to the same degree), respecting a maximum limit of indebtedness in relation to the amount of the portfolio, disallowing a change of control, the maintaining of a rating by one of the major rating agencies and the obligation of providing periodic disclosure. Non-compliance with the covenants involves the immediate redemption of the bonds by the bondholders. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest.

The 2003/2006 bonds of face value € 100 million were repaid on December 19, 2006.

As for IFI S.p.A., the loan contracts relating to irrevocable lines of credit provide for commitments which are common practice in the sector for this type of debt. In particular, some of the main commitments included in certain contracts refer to the obligation of periodic disclosure, not setting up new real guarantees on the goods of the company without the prior consent of the creditors, the non-subordination of the loan, as well as, in some cases, conformity with financial ratios. Finally, there are clauses that could change the duration in the case of serious non-fulfillment such as, for example, failure to pay interest or when extremely serious events arise such as a request to place the company under administration.

The analysis of debt by maturity is as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	Total
At December 31, 2006				
IFIL 2006/2011 bonds		(199)		(199)
Debt	(747)	(547)	(31)	(1,325)
Total debt	(747)	(746)	(31)	(1,524)
At December 31, 2005				
IFIL 2003/2006 bonds	(100)			(100)
Debt	(1,040)	(901)	(8)	(1,949)
Debt with Giovanni Agnelli e C. S.a.p.az.	(14)			(14)
Other financial liabilities	(1)	(8)	(3)	(12)
Total debt	(1,155)	(909)	(11)	(2,075)

The analysis of debt by interest rate is as follows:

€ in millions	Under 2%	Between 2 and 3%	Between 3 and 7.5%	Over 7.5%	Total
At December 31, 2006					
IFIL 2006/2011 bonds			(199)		(199)
Debt	(9)	(1)	(1,313)	(2)	(1,325)
Total debt	(9)	(1)	(1,512)	(2)	(1,524)
At December 31, 2005					
IFIL 2003/2006 bonds			(100)		(100)
Debt	(50)	(1,122)	(764)	(13)	(1,949)
Debt with Giovanni Agnelli e C. S.a.p.az.		(14)			(14)
Other financial liabilities	(5)	(1)	(6)		(12)
Total debt	(55)	(1,137)	(870)	(13)	(2,075)

The analysis of debt by nominal currency is as follows:

€ in millions	EUR	GBP	USD	CHF	Other	Total
At December 31, 2006						
IFIL 2006/2011 bonds	(199)					(199)
Debt	(1,186)	(68)	(51)		(20)	(1,325)
Total debt	(1,385)	(68)	(51)	0	(20)	(1,524)
At December 31, 2005						
IFIL 2003/2006 bonds	(100)					(100)
Debt	(1,677)	(134)	(113)	(2)	(23)	(1,949)
Debt with Giovanni Agnelli e C. S.a.p.az.	(14)					(14)
Other financial liabilities	(12)					(12)
Total debt	(1,803)	(134)	(113)	(2)	(23)	(2,075)

At December 31, 2006, the IFI Group has unused credit lines for €3,188 million (€2,795 million at December 31, 2005).

The Sequana Capital Group loan is secured in part by credit lines with maturities of less than one year. The refinancing agreements allow this loan to be classified as medium-term (€380 million in 2006).

The Alpitour Group's credit lines total €336 million, of which €97 million is used for short-term loans and €25 million for medium-term loans.

The medium and long-term loan contracts signed by the Alpitour Group (equal to €43.7 million) state that the Group must abide by the covenants calculated on consolidated equity, economic and financial data (mainly net debt/equity and Ebitda/net

debt). In view of the seasonal nature of the business, these ratios, as established by the relevant contracts, are calculated on an annual basis at the year-end closing date.

At October 31, 2006, these ratios are fully within the limits established by the covenants. Furthermore, the EIB loan of € 20 million disbursed by Sanpaolo IMI and Banca Intesa to the Alpitour Group for the purpose of building a hotel resort is collateralized by the shares (€ 38 million) of the subsidiary Blumarini Hotels Sicilia S.p.A., the company which owns that property.

29. Derivative financial instruments

Interest rate risk

The fair value effect of the transactions to hedge the exposure of interest rate risk put into place by the consolidated companies is as follows:

€ in thousands	12/31/2006	12/31/2005	Change
Sequana Capital Group	3,824	1,329	2,495
Alpitour Group	(341)	(1,229)	888
IFIL S.p.A. and the "Holdings System"	1,864	241	1,623
IFI S.p.A.	3,091	1,531	1,560
Total	8,438	1,872	6,566

The summary of transactions to hedge interest rates put into place by the Sequana Capital Group at December 31, 2006 and the relative fair value effect are as follows:

	Notional (€ml)	Fixed rate (received)	Floating rate (paid)	Maturity	Effect of fair value		Total (€ in thds)
					Income statement (€ in thds)	Balance sheet (€ in thds)	
SWAPS	150	3.1305%	1-month Euribor	2/22/2009	1,538	1,065	2,603
	75	3.6140%	1-month Euribor	9/27/2008		472	472
	100	2.3600%	3-month Euribor	5/31/2007	691		691
					2,229	1,537	3,766
COLLARS	50	4.53%	3.00%	5/31/2009	16		16
	20	4.49%	3.00%	5/31/2009	42		42
					58	0	58

Alpitour S.p.A. has interest rate swap contracts for a notional amount of a total of € 22.5 million put into place to hedge fluctuations in interest rates on bank loans. The fair value of the IRSs at October 31, 2006 is estimated at a negative amount of € 341 thousand (a negative amount of € 1,229 thousand at October 31, 2005). These transactions qualify for hedge accounting and the fair value adjustments, equal to a positive € 888 thousand, are recognized in a reserve in equity.

At December 31, 2006, IFI S.p.A. has interest rate swap contracts in place for a notional amount of a total of € 160 million (of which € 125 million is on non-current bank debt) to hedge fluctuations in interest rates on bank loans with a positive fair value of € 3,091 thousand.

At December 31, 2005, the outstanding interest rate swap contracts had a notional amount of € 170 million and a positive fair value of € 1,531 thousand.

At December 31, 2006, IFIL Investments S.p.A. has an interest rate swap contract in place for a notional amount of a total of € 200 million to hedge fluctuations in interest rates on the IFIL 2006-2011 bonds with a positive fair value equal to € 1,864 thousand.

Exchange rate risk

The summary of the principal contracts to hedge exchange rates put into place by the Sequana Capital Group at December 31, 2006 and the relative fair value effect are as follows:

Company	Exchange rates	Notional	
Sequana Capital	EUR/GBP	385.8	€ ml
Arjowiggins	EUR/GBP	53	£ ml
Antalis	EUR/PLN	4	€ ml
Antalis	EUR/ZAR	3.3	€ ml
Antalis	EUR/ZAR	0.7	Zar ml
Antalis	USD/ZAR	7.5	\$ ml
Antalis	JPY/ZAR	12.6	JPY ml
Antalis	EUR/CZK	0.6	€ ml
Antalis	EUR/USD	7	\$ ml
Antalis	EUR/CHF	0.5	CHF ml
Antalis	USD/THB	0.5	\$ ml
Antalis	USD/MYR	1.7	\$ ml
Antalis	USD/SGD	0.5	\$ ml
Antalis	EUR/GBP	0.6	£ ml
Fair value effect recognized in the income statement		2005	2006
		(2,705)	(33) €/000

Other risks

At October 31, 2006, the Alpitour Group has contracts in place for the forward purchase of 36,000 tons of fuel for a notional amount of € 15,461 thousand to hedge the risk of fluctuations in the price of fuel.

At October 31, 2006, the fair value of these contracts, which qualify for hedge accounting, equal to a negative amount of € 631 thousand, were recognized in a reserve in equity.

At December 31, 2006, Arjowiggins has contracts in place to hedge gas purchases which are recognized at fair value through the income statement.

30. Deferred income taxes

The change in deferred tax assets is as follows:

€ in millions	Employee	Tax	Other	Total
	benefits	losses		
Balance at December 31, 2005	39	57	(28)	68
Income taxes accrued (reversed) to the income statement	(9)	(3)	(26)	(38)
Income taxes relating to items directly credited to equity	(2)	3	3	4
Exchange differences	(1)	(4)	4	(1)
Net other movements	1	(2)	17	16
Balance at December 31, 2006	28	51	(30)	49

The change in deferred tax liabilities is as follows:

€ in millions	Property, plant and	Depreciation and	Other	Total
	equipment	tax accruals		
Balance at December 31, 2005	(92)	(35)	32	(95)
Income taxes accrued (reversed) to the income statement	7	3	39	49
Income taxes relating to items directly debited to equity			(55) ^(a)	(55)
Exchange differences	4		(4)	0
Net other movements		2	(3)	(1)
Balance at December 31, 2006	(81)	(30)	9	(102)

(a) Including €48 million relating to the Sanpaolo IMI S.p.A. investment.

The analysis of unused tax loss carryforwards and unused tax credits on which deferred tax assets have not been calculated is as follows:

€ in millions	Taxable base				Estimated tax benefit
	Within 1 year	Between 2 and 4 years	Beyond 4 years	Total	
At December 31, 2006					
Current tax losses	114	579	773	1,466	470
Other tax credits					NONE
Total at December 31, 2006	114	579	773	1,466	470
At December 31, 2005					
Current tax losses	98	524	756	1,378	452
Other tax credits					NONE
Total at December 31, 2005	98	524	756	1,378	452

The recognition of deferred tax assets on tax losses is limited to those whose recoverability is highly probable during the following year or in the medium term, taking into account the estimated taxable income established by medium-term operating plans.

31. Other liabilities

Details of other liabilities are as follows:

€ in millions	12/31/2006	12/31/2005	Change
Other non-current liabilities			
Other non-current liabilities	54	57	(3)
Other non-current payables to related parties	3		3
Total other non-current liabilities	57	57	0
Other current liabilities			
Trade payables			
Trade payables	912	968	(56)
Trade payables to related parties	15	14	1
Total trade payables	927	982	(55)
Other liabilities			
Payables for direct income taxes	67	42	25
Payables for indirect income taxes	70	43	27
Payables to employees and similar	142	112	30
Payables on purchase of property, plant and equipment	47	61	(14)
Other payables	202	213	(11)
Other payables to related parties		10	(10)
Total other liabilities	528	481	47
Total other current liabilities	1,455	1,463	(8)

Other non-current and current liabilities by maturity are as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	Total
Other non-current liabilities		45	12	57
Trade payables	927			927
Other payables	528			528
Balances at December 31, 2006	1,455	45	12	1,512
Other non-current liabilities		54	3	57
Trade payables	982			982
Other payables	481			481
Balances at December 31, 2005	1,463	54	3	1,520

COMMENTS ON THE PRINCIPAL ITEMS IN THE CONSOLIDATED INCOME STATEMENT

32. Other revenues from current operations

Details of other revenues from current operations are as follows:

€ in millions	2006	2005	Change
Inventories	21	(13)	34
Operating grants	0	1	(1)
Income from concessions and patents	2	4	(2)
Other income	88	46	42
Total other revenues from current operations	111	38	73

33. Personnel costs

Details of the composition of personnel costs are as follows:

€ in millions	2006	2005	Change
Salaries and wages	(685)	(703)	18
Social security contributions	(164)	(169)	5
Employee stock options	(8)	(1)	(7)
Employee severance indemnities expense	(5)	(5)	0
Temp work costs	(25)	(22)	(3)
Other employee costs	(38)	(27)	(11)
Total personnel costs	(925)	(927)	2

34. Other nonrecurring income (expenses)

Details are as follows:

€ in millions	2006	2005	Change
Gains (losses) on disposals of property, plant and equipment and intangible assets	29	16	13
Impairment (losses) reversals on property, plant and equipment and intangible assets	(66)	(144)	78
Restructuring expenses	(82)	(31)	(51)
(Accruals) release of environmental disputes provisions	8	(80)	88
(Accruals) release of provisions for other disputes	21	(3)	24
Insurance compensation received for Fox River dispute	24	11	13
Net other income (expenses)	4	29	(25)
Total other nonrecurring income (expenses)	(62)	(202)	140

Gains (losses) on disposals of property, plant and equipment include € 32 million realized by the Sequana Capital Group on the sale of land and buildings.

Restructuring expenses include € 48 million relating to Arjowiggins, € 15 million for the reorganization of the "Envelopes" sector by Antalis and € 19 million for the reorganization of the logistics and sales activities of Antalis (France, Great Britain, Italy and South Africa).

In 2005, the accruals for environmental disputes included the additional accrual for € 70 million (\$ 87.7 million) regarding the Fox River dispute.

In 2006, net other income (expenses) include the accrual for the administrative sanction of € 4.5 million levied on the company by Consob in reference to the content of the press release dated August 24, 2005, the excess, equal to € 5 million, of the increment in IFI's share of the consolidated equity of the IFIL Group compared to the cost of the IFIL shares purchased during the year, the cost for the year of € 3.1 million relating to the stock option plan approved for the management of the subsidiary Alpitour, as well as the release of the provision set aside in prior years for the Alpitour stock option plan 2000 which was not exercised by the expiration date of August 31, 2006 (+€ 7.8 million) and other sundry expenses of € 1 million.

In 2005, net other income (expenses) included:

- the excess, equal to €55 million, of the increments in IFIL's share of the consolidated equity of the Fiat Group subscribed to by minority stockholders (+€ 606 million) and the increase in the percentage of consolidation, equal to 0.54% (+€ 29 million), compared to the cost incurred for the purchase of 87,750,000 Fiat shares (-€ 580 million);
- the excess, equal to €1 million, of the increment in IFI's share of the consolidated equity of the IFIL Group compared to the cost of the IFIL shares purchased during the year;
- other minor net negative items amounting to €8 million;
- extraordinary compensation approved for the chairman (€15 million) and for the former CEO (€4 million) of IFIL S.p.A..

35. Financial income (expenses)

Details of the composition of net financial income (expenses) are as follows:

€ in millions	2006	2005	Change
Gains (losses) on disposals of investments			
Sale of Legg Mason securities	38		38
Sale of Blumarine Hotel S.A. de C.V.	14		14
Sale of the investment in Exor Group	7 (a)		7
Other minor investments	(1)	4	(5)
Gains (losses) on disposals of investments	58	4	54
Cost of net debt			
Income on disposals of cash and cash equivalents	38	39	(1)
Exchange differences	(5)	(1)	(4)
Net income from interest rate and foreign exchange hedges	1	(9)	10
Interest expenses on loan transactions	(66)	(81)	15
Commissions for unused credit lines	(4)	(2)	(2)
Cost of net debt	(36)	(54)	18
Other financial income (expenses)			
Dividends	56 (b)	44	12
Interest income on other financial assets	5	2	3
Changes in the fair value of financial assets and liabilities	12	2	10
Accruals (release) of provisions for financial risks	(1)	4	(5)
Other financial income (expenses)	72	52	20
Net financial income (expenses)	94	2	92

(a) Corresponding to the sale of the investment in Exor Group (equal to 29.3% of capital stock) to the same Exor Group.

(b) Including €53 million collected from Sanpaolo IMI S.p.A..

36. Income taxes

Details of income taxes recorded in the income statement are as follows:

€ in millions	2006	2005	Change
Current income taxes	(63)	(36)	(27)
Deferred income taxes	11	(10)	21
Total income taxes	(52)	(46)	(6)

National income taxes are calculated at 33%, in 2006 and 2005, on the estimated taxable income for the year. The income taxes for other jurisdictions are calculated at the enacted tax rates in those countries.

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 rate in effect in Italy, is the following:

€ in millions	2006	2005
Operating profit (loss)	6	(138)
Financial income (expenses)	94	2
Profit (loss) before income taxes	100	(136)
Current tax rate in Italy	33%	33%
Theoretical income taxes	(33)	45
Effective income taxes	(52)	(46)
Difference	19	91

The difference can be analyzed as follows:

Tax effect of difference between foreign tax rates and the theoretical Italian tax rate	3	(14)
Tax effect of other permanent differences	72	62
Deferred tax assets not recognized	(21)	(63)
Tax losses used	(50)	(52)
Use of excess tax liabilities	(16)	(21)
Other differences	(7)	(3)
Difference	(19)	(91)

The impairment loss on the goodwill of Antalis, which is not deductible for tax purposes, generated a permanent difference of € 10 million.

In addition to the income taxes recorded in the income statement, deferred tax charges of € 55 million (€ 7 million in 2005) and deferred tax benefits of € 4 million (€ 8 million in 2005) were recognized directly in equity.

Other differences include the Exit Tax, an extraordinary 2.5% tax introduced in France in 2004, for an amount of € 21 million. This tax is recorded in payables with a contra-entry to equity in the separate financial statements of the subsidiary Sequana Capital; on consolidation the Exit Tax is recognized in the income statement.

In 2005, deferred income taxes were not recognized on the writedown of property, plant and equipment made by Arjowiggins as there were no prospects of recoverability.

37. Share of the profit (loss) of companies accounted for by the equity method

Details are as follows:

€ in millions	2006	2005	Change
FIAT Group	289 (a)	379	(90)
SGS Group	62 (b)	58	4
Exor Group S.A.	0 (c)	11	(11)
Sundry Sequana Capital Group companies	1		1
Total	352	448	(96)

(a) Including consolidation adjustments of €15 million.

(b) This is the pro rata share of the profit of the SGS Group prior to the Public Purchase and Exchange Offer launched by Sequana Capital, after which, the remaining investment in SGS was classified as available-for-sale and measured at fair value.

(c) The investment was sold on April 7, 2006.

38. Profit from discontinued operations or assets held for sale

This line included the gains on disposals and the share of the profit (loss) of discontinued operations as follows:

€ in millions	2006	2005
Gains on disposals of investments in:		
- La Rinascente S.p.A.	0	460
- Permal Group and Ifabanque	0	504
Share of profit:		
- Permal Group S.A.	0	43
Total	0	1,007

The analysis of the share of the profit from discontinued operations is as follows:

€ in millions	2006	2005
Permal Group Limited and Ifabanque		
Revenues	0	235
Operating expenses	0	(172)
Financial income (expenses)	0	2
Profit before taxes	0	65
Income taxes	0	(22)
Profit	0	43

In the statement of cash flows, the line "Change in the scope of consolidation" includes the net movement of the changes associated with the assets or groups of assets held for sale, an analysis of which is provided as follows:

€ in millions	2006	2005
Consolidated cash flows of assets held for sale		
Cash flows from operating activities:		
<i>Permal Group</i>	0	140
Cash flows used in investing activities:		
<i>Permal Group</i>	0	(27)
Cash flows used in financing activities:		
<i>Permal Group</i>	0	(121)
Total cash flows	0	(8)

39. Segment information

Information by business segment and by geographical area, presented as set forth in IAS 14 – Segment Reporting, is prepared according to the same accounting policies adopted in the preparation and presentation of the consolidated financial statements of the Group.

The primary reporting format consists of the business segments whereas the geographical areas make up the secondary reporting format. This distinction is based upon the nature of the risks and rewards inherent in the Group's activities and reflects the organizational structure.

The segment information presented by the IFI Group agrees with the consolidated data of every subsidiary and associate holding company of the IFI Group, each of which represents an investment in a major business segment: Sequana Capital Group, Alpitour Group, Juventus Football Club, Fiat Group and IFI/IFIL Holdings System.

The segment information relating to continuing operations is presented in the following tables; the segment information relating to discontinued operations or assets held for sale is presented in Notes 19 and 38.

The analysis of the income statement by business segment is as follows:

€ in millions	Sequana		Juventus	IFI and IFIL		Total
	Capital	Alpitour	Football Club	Fiat	Holdings System and eliminations	
2006						
Revenues	4,045	1,332	156		1	5,534
Operating profit (loss)	27	12	(12)		(21)	6
Financial income (expenses)						94
Income taxes						(52)
Profit (loss) of companies consolidated line-by-line						48
Share of profit (loss) of companies accounted for by the equity method	63			289		352
Profit						400
Profit attributable to the equity holders of the company						221
Profit attributable to the minority interest						179
Net gain on the sale of the investment in SGS attributable to the minority interest	396					396

€ in millions	Sequana		Juventus	IFI and IFIL		Total
	Capital	Alpitour	Football Club	Fiat	Holdings System and eliminations	
2005						
Revenues	4,067	1,147	214		1	5,429
Operating profit (loss)	(128)	1	(15)		4	(138)
Financial income (expenses)						2
Income taxes						(46)
Profit (loss) of companies consolidated line-by-line						(182)
Share of profit (loss) of companies accounted for by the equity method	58			379	11	448
Profit (loss) from discontinued operations or assets held for sale	547				460	1,007
Profit attributable to the minority interest						(597)
Profit attributable to the equity holders of the company						676

Segments assets are as follows:

€ in millions	Sequana Capital	Alpitour	Juventus Football Club	Fiat	IFI and IFIL Holdings System and eliminations	Total
2006						
Assets						
Segment assets	3,011	325	210		16	3,562
Investments accounted for by the equity method	3	1		2,611	4	2,619
Other assets						4,238
Assets held for sale	109		19			128
Total assets					20	10,547
Liabilities						
Segment liabilities	1,071	243	131		30	1,475
Other liabilities						9,040
Liabilities relating to assets held for sale	32					32
Total liabilities				0	30	10,547
Investments in property, plant and equipment and intangible assets	(132)	(16)	(47)			(195)
Amortization and depreciation	103	16	38			157
Impairment losses of assets	62					62
Reversals of impairment losses of assets	(10)					(10)
Other (accruals) releases of provisions	(2)					(2)
Other non-monetary elements	(938)					(938)
Cash flows						
Cash flows from operating activities	134	30	(74)		64	154
Cash flows from investing activities	334	22	38		(30)	364
Cash flows from financing activities	(694)	(103)	4		67	(726)

€ in millions	Sequana Capital	Alpitour	Juventus Football Club	Fiat	IFI and IFIL Holdings System and eliminations	Total
2005						
Assets						
Segment assets	3,230	404	260		753	4,647
Investments accounted for by the equity method	626			2,336	203	3,165
Other assets						2,667
Total assets						10,479
Liabilities						
Segment liabilities	1,005	278	206		30	1,519
Other liabilities						8,960
Total liabilities						10,479
Investments in property, plant and equipment and intangible assets	(97)	(12)	(65)		(1)	(175)
Amortization and depreciation	120	15	55		1	191
Impairment losses of assets	144					144
Other (accruals) releases of provisions	47	1			3	51
Non-monetary costs	(427)					(427)
Cash flows						
Cash flows from operating activities	209	41	20		164	434
Cash flows from investing activities	319	(4)	(37)		(148)	130
Cash flows from financing activities	(414)	(35)	15		(18)	(452)

The following table presents an analysis of the revenues of the Group in the various geographical markets, regardless of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets.

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2006			
European Union			
Italy	1,612	591	66
France	610	1,001	52
United Kingdom	556	439	19
Other European Union countries	1,475	852	16
Total European Union	4,253	2,883	153
United States	388	264	6
Rest of the world	893	415	36
Total at December 31, 2006	5,534	3,562	195

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2005			
European Union			
Italy	1,513	760	78
France	688	1,031	43
United Kingdom	594	492	17
Other European Union countries	1,452	1,637	20
Total European Union	4,247	3,920	158
United States	388	298	6
Rest of the world	794	429	11
Total at December 31, 2005	5,429	4,647	175

40. Intragroup and related party transactions

The IFI Group is directly controlled by Giovanni Agnelli e C. S.a.p.az., a company registered in Italy which holds its entire ordinary capital stock.

The transactions between the company and its consolidated subsidiaries, which are related parties of the same company, are eliminated in the consolidated financial statements of IFI and are therefore not presented in this note.

Related party transactions are carried out in accordance with existing laws on the basis of reciprocal economic gain.

Receivable and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.

Costs have not been recognized during the year for non-existent or doubtful liabilities in relation to amounts due from related parties.

A summary of the balances in the balance sheet and in the income statement generated by the transactions carried out during 2006 with related parties, identified in accordance with IAS 24 and communicated by the companies of the Group, are summarized in the following tables. Transactions are indicated only if close to Euro one million, which is the unit of measure for the presentation of the consolidated figures of the IFI Group.

€ in millions	Trade receivables	Trade payables	Other assets	Financial assets	Other liabilities	Costs	Revenues
Directors for compensation not yet collected		(8)				(7)	
Grantees of Alpitour stock option plans 2005					(3)	(3)	
Sundry companies of Antonin Rodet				3		(3)	1
Jumboturismo S.A. Unipersonal			1				
Alpitour Group Egypt for Tourism S.A.E. (a)		(6)				(25)	
Viajes Medymar S.L.	1						
Semana S.r.l.		(1)				(5)	
Fiat Auto S.p.A.	1						2
TOTAL IFI GROUP	2	(15)	1	3	(3)	(43)	3

(a) The company Alpitour Group Egypt for Tourism S.A.E. is the local correspondent for incoming activities for the major destinations in Egypt.

41. Compensation to directors and statutory auditors

In 2006, the compensation to the directors and statutory auditors of IFI S.p.A., to perform their duties in IFI S.p.A. and also in other companies included in consolidation, is as follows:

€ in thousands	IFI S.p.A.	Subsidiaries (a)	Total
Directors	946	5,580	6,526
Statutory auditors	146	155	301
Total	1,092	5,735	6,827

(a) This does not include the compensation paid by Fiat and its subsidiaries since the Fiat Group is not included in the scope of consolidation.

In 2005, compensation amounted to €23,195 thousand, of which €6,185 thousand was paid by IFI and €17,010 thousand by the subsidiaries.

The company also signed a third-party liability insurance policy for the directors with a group of insurance companies for a maximum claim per incident and per year of €50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The compensation of executive directors is not linked to either the economic results of the company or targets set by the board of directors.

A part of the compensation of the general manager, however, is tied to the economic results of the company and the reaching of specific targets.

Additional information on compensation, as requested by national law (Consob Regulation 11971 dated May 14, 1999 and later amendments and integrations), is provided in the notes to the separate financial statements of IFI S.p.A..

42. Commitments

Details are as follows:

€ in millions	12/31/2006	12/31/2005
Credit lines		
Credit lines used	1,222	1,646
Credit lines unused	3,188	2,795
Total credit lines	4,410	4,441
Commitments undertaken		
Bills discounted and not yet due	1	1
Guarantees	572	394
Sureties, guarantees of notes and other guarantees	78	144
Commitments for the purchase of intangible assets	1	1
Commitments for the purchase of property, plant and equipment	5	11
Commitments for the purchase of investments and financial assets	585 (a)	23
Options for the purchase of players' rights	13	3
Goods on deposit with third parties	2	97
Forward purchase of goods and raw materials (b)	173	199
Other commitments	58	50
Total commitments undertaken	1,488	923
Commitments received		
Sureties, guarantees, guarantees of notes and other guarantees	170	19
Real guarantees		35
Options on soccer players	23	7
Commitments for the sale of property, plant and equipment	5	2
Commitments for the sale of investments and financial assets	0	2
Forward sale of goods and raw materials (b)	156	190
Other commitments	57	61
Total commitments received	411	316

(a) These include the commitment for the purchase of a 67.5% stake in Cushman & Wakefield.

(b) These are basically forward purchases and sales of paper pulp.

Credit lines and commitments by due date are as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	Total
At December 31, 2006				
Credit lines unused	2,268	870	50	3,188
Commitments undertaken	1,128	191	169	1,488
Commitments received	192	216	3	411
At December 31, 2005				
Credit lines unused	1,691	961	143	2,795
Commitments undertaken	512	191	220	923
Commitments received	197	112	7	316

The amount of future minimum lease payments relating to operating leases is as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	Total
At December 31, 2006	51	125	128	304
At December 31, 2005	68	70	50	188

In 2006, fixed-rate lease contracts amount to €209 million while floating-rate lease contracts total €95 million (respectively €134 million and €54 million in 2005).

Lease expenses recognized in the 2006 income statement amount to €75 million (€63 million in 2005). They include €31 million for irrevocable leases (€20 million in 2005), €23 million for other operating leases (€14 million in 2005) and €21 million for simple lease contracts (€29 million in 2005).

Juventus Football Club

On March 31, 2006, Costruzioni Generali Gilardi S.p.A. acquired options to purchase, in two installments, 69.8% of the capital stock of Campi di Vinovo S.p.A. currently held by Juventus Football Club S.p.A..

The first option will allow Costruzioni Generali Gilardi S.p.A. to purchase 64.8% of the capital stock of Campi di Vinovo S.p.A.. This right must be exercised within two years of signing the option contract or, alternatively, within three months of the date of the issue of all the administrative authorizations for the "Mondo Juve – Commercial Park".

The second option will allow Costruzioni Generali Gilardi S.p.A. to purchase the remaining 5% of capital stock of Campi di Vinovo S.p.A.. This right must be exercised by March 31, 2008 and can be exercised at the same time the first option is exercised.

The exercise price of the two purchase options is a total of €37,698,141, of which €35,000,000 refers to the first option and €2,698,141 to the second option.

The payment of the exercise price for the first option, if exercised, will be made according to the following due dates: €1 million at the exercise date of the first option, €12 million at the date of the start of construction work on the Commercial Park, but no later than December 31, 2008, €12 million at the end of the first year following its opening to the public, but no later than December 31, 2012, €10 million at the end of the second year after its opening to the public, but no later than December 31, 2013.

The payment of the exercise price for the second option, if exercised, will be made according to the following due dates: €100,000 at the exercise date of the second option, €500,000 at the date of the start of construction on the Commercial Park, but no later than December 31, 2008, €500,000 at the end of the first year following its opening to the public but no later than December 31, 2012, €1,598,141 at the end of the second year after its opening to the public, but no later than December 31, 2013.

As consideration for the acquisition of these rights, Costruzioni Generali Gilardi S.p.A. paid a total lump-sum amount of €10,000, plus VAT to Juventus Football Club.

Guarantees – Third party guarantees on behalf of third parties

These relate to:

- guarantee of €3 million issued by Banca Cassa di Risparmio di Savigliano S.p.A. to soccer clubs for the purchase of players' registration rights for payment to be made in the 2007/2008 season (renewable annually for the following installments due up to September 30, 2008);
- guarantee of €5 million issued by Banca Sella S.p.A. to soccer clubs for the purchase of players' registration rights for payment to be made in the 2007/2008 season;
- guarantee of €3 million issued by Banca Popolare Italiana Società Cooperativa to soccer clubs for the purchase of players' registration rights for payment to be made in the 2007/2008 and 2008/2009 seasons;
- guarantees of €0.9 million issued by Banca Sella S.p.A. to the Municipality of Vinovo for €0.6 million and to the City of Turin for €0.3 million for the construction work and urbanization costs of the Sports Training Center and the Stadio delle Alpi;
- guarantee of €1 million issued by Banca Sella S.p.A. to Virgiliocinque S.p.A. for the rental of of the building used as the company's headquarters;
- guarantee of €6 million issued by Banca Popolare Italiana Società Cooperativa to the City of Turin for the payment of the second installment of the sum for the acquisition of the surface rights of the Stadio degli Alpi and adjacent areas;
- guarantee of €2 million issued by Banca Popolare Italiana Società Cooperativa to the City of Turin for the payment of the annual installment of the sum for the acquisition of the surface rights of the Stadio degli Alpi and adjacent areas (renewable annually for all installments due up to July 15, 2012).

Guarantees – Third party guarantees on our behalf

These amount to €165 million and relate to:

- guarantee of €78 million issued by Intesa Sanpaolo S.p.A. in favor of Sky Italia S.r.l. for the sales contract of the television broadcasting rights to the championship games for the 2007/2008 season;
- guarantee of €52 million issued by Intesa Sanpaolo S.p.A. in favor of Reti Televisive Italiane S.p.A. for the sales contract of the television broadcasting rights to the championship games for the 2007/2008 season;
- guarantee of €15 million issued by Caja de Ahorros de Baleares in favor of Real Madrid CF for the installments due on the contract for the sale of the definitive title to the registration rights of the players Fabio Cannavaro and Ferreira Da Rosa Emerson;
- guarantee of €14 million issued by La Caixa in favor of F.C. Barcelona for the installments due on the contract for the sale of the definitive title to the registration rights of the players Lilian Thuram and Gianluca Zambrotta;
- guarantee of €5 million issued by Intesa Sanpaolo S.p.A. in favor of Fenerbanche Spor Kulubu for the installments due on the contract for the sale of the definitive title to the registration rights of the player Stephen Appiah;
- other guarantees for a total of €1 million for the payment relating to commercial contracts.

Other commitments and contingent liabilities

Description	Signing date	Amount in currency (ml)	Amount in € ml	Expiration date
Disposal of Appleton Papers Inc (USA) (a)	2004	USD 97.5 max	74 max	Unlimited
Disposal of Permal - guarantee provided to Legg Mason (b)	6/23/2005	USD 479	364	Between 5/3/2007 and 6/23/2011 at the most
Disposal of Ifabanque - guarantee provided to BSI AG (Switzerland)	12/21/2005	-	4.5	12/21/2010 renewable for one year each year
Disposal of La Rinascente - guarantee provided by Eurofind Textile to Tamerice (c)	5/6/2005	-	71	Sundry

Sequana Capital Group

- (a) Guarantees for environmental risks provided to the buyers of Appleton Papers Inc
 In 2004, the early repayment of the loan made by Arjo Wiggins to the buyers of Appleton Papers Inc. led to the renegotiation of all the guarantees provided by AWA Ltd to the same buyers of Appleton Papers Inc.
 At the present time there is only one guarantee regarding environmental risks (excluding Fox River). Details are as follows:
- up to \$ 5 million, the costs are divided 50-50 between Appleton Papers Ltd and AWA Ltd;
 - over \$ 5 million, AWA Ltd assumes the entire amount of the costs up to a maximum of \$ 100 million.

The aforementioned guarantee is unlimited. To date, there has been no request to meet the terms of the guarantee.

- (b) Guarantees provided to Legg Mason on the sale of Permal
 Sequana Capital has guaranteed the commitments undertaken by Sequana UK Limited and Permal Group S.a.s. (the sellers) under the contract for the sale of the stock.
 Such commitments regard obligations to compensate Legg Mason in case of falsehood or breach of statements and guarantees provided by the sellers, in particular: the legal foundation and existence of the parties, the authorizations received to undertake the commitments negotiated in the sales contract and their validity as well as the absence of tax risks in Permal Group Ltd.
 Some commitments expire after 18 months from the date of sale, on May 3, 2007, and, others, in particular regarding legal and tax matters, when they become statute-barred which could reasonably be considered as a maximum of six years.
 The guarantee is given without joint and several obligation among the seller parties.
- (c) Guarantees provided by Ifil Investissements relating to the sale of La Rinascente
 Ifil Investissements, as the merging company of Eurofind Textile, has provided the buyer with statements and guarantees regarding the Rinascente Group, the subject of the transaction, and its activities, with the usual limitations and exclusions (a part of these guarantees are undertaken by Auchan Group). Such conventional statements and guarantees regard, among other things, full ownership and title, free and clear of detrimental encumbrances and registrations, of the shares of the companies of the Rinascente Group and real estate properties, the lease relationships, the true and correct representation of the financial statements and tax, social security and legal/labor matters. The limitations and exclusions agreed within the framework of the sale process regard specific events considered by the buyer during the course of the due diligence. Such limitations and exclusions provide for the obligation of compensation in excess of a threshold of significance per individual indemnifiable event (de minimis) and as a whole (with an exempted amount) as well as, for certain matters, a maximum limit of responsibility for the seller.

IFIL S.p.A. has guaranteed the commitments undertaken by Ifil Investissements with the buyer until their expiration, anticipated, depending on the matter at hand, at December 31, 2006 or at December 31, 2008 or when they become statute-barred.

Litigation in progress relating to the sale of La Rinascente is disclosed in Note 26 "Pending litigation".

Procedures for the identification and control of commitments

The information regarding commitments is transmitted to the parent through the consolidation process under the responsibility of the Legal Representatives of the companies which sign a representation letter addressed to the parent.

On the basis of information known to the company, no significant commitments have been omitted by the companies of the Group.

43. Employees

The breakdown of the average number of employees is provided as follows:

Average number of employees	12/31/2006	12/31/2005
Breakdown by business segment		
Sequana Capital Group	14,055	14,305
Alpitour Group	3,983	3,951
Juventus Football Club S.p.A.	130	132
IFI and IFIL Holdings System	71	70
	18,239	18,458
Breakdown by geographical area		
Italy	2,768	2,476
France	4,557	4,605
United Kingdom	1,946	2,254
Other European Union countries	3,887	3,847
United States	973	979
Rest of the world	4,108	4,297
	18,239	18,458
Breakdown by category		
Managers	220	220
Middle management and staff	8,790	8,879
Pilots and flight attendants	183	69
Soccer players	60	59
Blue-collar	8,986	9,231
	18,239	18,458

44. **Proforma consolidated data prepared by consolidating the Fiat Group line-by-line**
Pending an opinion by the IASB, which the European Commission has also recently requested by letter dated October 26, 2006, that will definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the IFI Group has continued to exclude the Fiat Group, in which the subsidiary IFIL has a 30.45% holding of ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005.
However, presented below are the proforma consolidated balance sheet, the proforma consolidated income statement and the composition of the proforma consolidated net financial position prepared by consolidating the Fiat Group line-by-line.

IFI Group – Proforma consolidated balance sheet prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated			Elimination	Consolidated
	IFI Group	Fiat Group	Aggregate		
Non-current assets					
Goodwill	760	2,850	3,610		3,610
Other intangible assets	188	3,571	3,759		3,759
Property, plant and equipment	845	10,559	11,404		11,404
Investment in Fiat accounted for by the equity method	2,611	0	2,611	(2,611)	0
Investments accounted for by the equity method	8	1,719	1,727		1,727
Other financial assets	2,673	561	3,234		3,234
Leased assets	0	247	247		247
Deferred tax assets	49	1,860	1,909		1,909
Other non-current assets	55	11	66		66
Total Non-current assets	7,189	21,378	28,567	(2,611)	25,956
Current assets					
Inventories	540	8,447	8,987		8,987
Trade receivables	938	4,944	5,882		5,882
Receivables from financing activities	0	11,743	11,743		11,743
Other receivables, accruals and prepayments	281	3,086	3,367		3,367
Financial assets	1,109	637	1,746		1,746
Cash and cash equivalents	362	7,736	8,098		8,098
Total Current assets	3,230	36,593	39,823	0	39,823
Assets held for sale	128	332	460		460
Total Assets	10,547	58,303	68,850	(2,611)	66,239
Equity					
Equity attributable to the equity holders of the company	3,800	9,362	13,162	(9,362)	3,800
Equity attributable to the minority interest	2,900	674	3,574	6,751	10,325
Total Equity	6,700	10,036	16,736	(2,611)	14,125
Current and non-current liabilities					
Provisions for employee benefits	144	3,761	3,905		3,905
Provisions for other liabilities and charges	534	4,850	5,384		5,384
Bonds and other debt	1,524	20,293	21,817		21,817
Deferred tax liabilities	102	263	365		365
Trade payables	927	12,603	13,530		13,530
Other liabilities, accruals and deferrals	584	6,188	6,772		6,772
Total Current and non-current liabilities	3,815	47,958	51,773	0	51,773
Liabilities relating to assets held for sale	32	309	341		341
Total Equity and liabilities	10,547	58,303	68,850	(2,611)	66,239

IFI Group – Proforma consolidated income statement prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated			Elimination	Consolidated
	IFI Group	Fiat Group	Aggregate		
Net revenues	5,534	51,832	57,366		57,366
Other income (expenses)	111	105	216		216
Current operating costs	(5,577)	(49,986)	(55,563)		(55,563)
Trading profit	68	1,951	2,019	0	2,019
Gains (losses) on sales of investments		607	607		607
Restructuring costs and other nonrecurring income (expenses)	(62)	(497)	(559)		(559)
Operating profit (loss)	6	2,061	2,067	0	2,067
Gains (losses) on sales of investments	58		58		58
Other financial income (expenses)	36	(576)	(540)		(540)
Financial income (expenses)	94	(576)	(482)	0	(482)
Income taxes	(52)	(490)	(542)		(542)
Profit (loss) of companies consolidated line-by-line	48	995	1,043	0	1,043
Share of profit (loss) of the Fiat Group	289	0	289	(289)	0
Share of profit (loss) of other companies accounted for by the equity method	63	156	219		219
Profit	400	1,151	1,551	(289)	1,262
Profit attributable to the equity holders of the company	221	1,065	1,286	(1,065)	221
Profit attributable to the minority interest (A)	179	86	265	776	1,041
Net gain on the sale of the investment in SGS attributable to the minority interest (B)	396		396		396
Total profit attributable to the minority interest (A)+(B)	575	86	661	776	1,437

IFI Group – Proforma consolidated net financial position prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated	Consolidated	Consolidated
	IFI Group	Fiat Group	Proforma
Cash and cash equivalents	1,316	7,965	9,281
Financial receivables	6	11,743	11,749
Financial receivables included in “Assets held for sale”		5	5
Other current financial assets	6	382	388
Debt	(1,325)	(20,188)	(21,513)
IFIL 2006/2011 bonds	(199)		(199)
Current debt included in liabilities relating to assets held for sale		(33)	(33)
Other current financial liabilities		(105)	(105)
Consolidated net financial position	(196)	(231)	(427)

45. Translation of foreign currency financial statements

The principal exchange rates used for the translation of the 2006 and 2005 foreign currency financial statements to Euro are as follows:

	2006	2005
Year-end exchange rate		
Pound sterling	0.6715	0.6853
U.S. dollar	1.3170	1.1797
Swiss franc	1.6069	1.5551
Average exchange rate		
Pound sterling	0.6818	0.6839
U. S. dollar	1.2561	1.2445
Swiss franc	1.5732	1.5483

46. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2006 were approved by the board of directors of March 30, 2007 which authorized the publication on March 31, 2007.

Turin, March 30, 2007

For the Board of Directors
Vice Chairman (Vicario)
John Elkann

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE SEPARATE FINANCIAL STATEMENTS

Dear Stockholders,

Under art. 153 of Legislative Decree 58 dated February 24, 1998 (Consolidated Law on Financial Intermediation), the board of statutory auditors has the obligation to report to the stockholders' meeting on matters concerning the supervisory 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, we have written this report.

During the year, we have carried out the control activities envisaged by the law according to the principles of conduct issued by the National Boards of Dottori Commercialisti and Ragionieri taking into account, for the part regarding the board's competence, the instructions by Consob in its communications and in particular, in Communication 1025564 dated April 6, 2001 and subsequent updates.

We have participated in the meetings of the board of directors during which the directors informed us about the activities carried out and about the significant economic, financial and equity transactions entered into or in the process of being entered into by the company and/or its subsidiaries. In this regard we have ascertained and we have ensured 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 or in conflict of interest and were based upon the principles of good administration.

The organizational structure and the internal control systems of the company, insofar as we are responsible, appear to be adequate for the specific type of business and size of the company. As a result, the board of statutory auditors, also on the basis of meetings held with company management and with representatives of the audit firm, has gathered extensive information regarding compliance with the principles of diligent and proper administrative management.

Furthermore, we consider that the administrative accounting system, insofar as ascertained and checked by us, also in prior years, is in a position to record and correctly represent operating events.

As for corporate governance, the directors have prepared the specific report required by the Code of Self-discipline of listed companies. As for our responsibilities, in conformity with the provision of art. 149 No. 1 letter c) bis of Legislative Decree 58 dated February 24, 1998, we take note that the directors, in their report on corporate governance, specified the following: "IFI, in view of its particular capital structure, which, for ordinary capital stock is represented by unlisted shares held entirely by Giovanni Agnelli e C. S.a.p.az., has not adopted the Code of Self-discipline of listed companies.

Therefore, the corporate governance system adopted by the company is adapted to the capital structure and guarantees transparency according to market practices."

The rules and procedures specifically adopted, as we have ascertained, are nevertheless adequate and complete for purposes of achieving transparency as proposed by the directors.

In the same manner, the directives given by IFI S.p.A. to the subsidiaries as per art. 114, paragraph 2, of Legislative Decree 58 dated February 24, 1998 seem adequate.

The board of directors has sent us, in accordance with the law, the report relating to the first half of the year, making it public within the time-frame and according to the regulations established by Consob and has produced, according to law, the first and third quarterly reports on performance for 2006.

Specifically in reference to other instructions by Consob in its Communication 1025564 dated April 6, 2001 and later updates, with regard to our competence, we can attest to the following:

- the board of statutory auditors, pursuant to Legislative Decree 58 dated February 24, 1998 was constantly informed with regard to matters of its competence;
- the periodical verifications and tests on the company did not bring to light any atypical and/or unusual transactions with third parties, related parties or intragroup that would give rise to

reservations about the correctness or completeness of the information in the financial statements, conflicts of interest and the safeguarding of the company's assets;

- with regard to transactions with related parties, the directors, in the Notes to the separate financial statements, present and illustrate the transactions for the exchange of goods and services between your company and the companies of the Group and/or related parties, specifying that these transactions have been carried out on the basis of an evaluation of reciprocal economic gain. The most important transactions are indicated and commented in Note 28. In particular, on April 7, 2006, the company sold its entire 29.3% investment in Exor Group S.A. (controlled by Giovanni Agnelli e C. S.a.p.az.) to the same Exor Group S.A., realizing a gain of about €104 million and a consequent significant reduction in debt. The fairness of the sales prices of €206,804 thousand was checked by a leading financial advisor;
- the audit report of Deloitte & Touche issued on April 5, 2007 on the separate financial statements does not contain any qualifications or other matters of interest;
- during the year 2006, the board of directors held seven meetings, which we attended, and the board of statutory auditors held 10 meetings, four of which were attended by representatives of the audit firm;
- no significant aspects emerged during the course of the meetings held with the audit firm pursuant to art. 150 Legislative Decree 58 dated February 24, 1998;
- there have been no complaints received under ex art. 2408 of the Italian Civil Code;
- there have been no petitions received;
- during the year, the board of statutory auditors issued opinions on the compensation to be paid to the directors who are charged with special mandates approved by the board of directors pursuant to art. 2389 of the Italian Civil Code;
- during the year, besides the appointment for the audit of the separate and consolidated financial statements and the limited-scope audit for the first-half report, the company engaged Deloitte & Touche for the audit of the separate opening balance sheet at January 1, 2005 of the company, prepared in accordance with IFRS, as well as the separate financial statements at December 31, 2005, prepared for purposes of comparison, for a fee of €2,000.

With regard to the separate financial statements which show a profit of €217,624,583, the formation of which is described in the report on operations, we have ascertained that the laws have been observed with regard to its format and structure through tests carried out directly by us and on the basis of information supplied to us by the audit firm; the information supplied by directors in the report on operations should be considered extensive and complete.

This being said, we invite you to approve the financial statements together with the motion by the board of directors for the appropriation of the profit for the year.

The board of directors, lastly, invites you to authorize the purchase of treasury stock for the amount and according to the manner and terms indicated in the specific report. As to our responsibilities in this case, we can attest that the proposal conforms to existing laws.

Turin, April 11, 2007

THE BOARD OF STATUTORY AUDITORS

(Gianluca Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Dear Stockholders,

The consolidated financial statements of the IFI Group for the year ended December 31, 2006, which we submit for your consideration, show a profit attributable to the equity holders of the company of €221 million (€676 million in the prior year). The consolidated financial statements were submitted to us within the terms of the law, together with the report on operations, and are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the European Union.

The tests carried out by Deloitte & Touche S.p.A. have led to the assertion that the values expressed in the financial statements agree with the accounting records of the parent, the consolidated financial statements of the sole subsidiary IFIL S.p.A. and the relative information formally communicated by the latter.

Such consolidated financial statements, transmitted by the subsidiary to the parent for purposes of drawing up the consolidated financial statements, prepared by its relevant corporate bodies, have been examined by the bodies and/or parties in charge of controlling the individual subsidiary and on the part of the audit firm within the scope of the procedures carried out for the audit of the consolidated financial statements. The board of statutory auditors has, therefore, not extended its examination to these financial statements.

The determination of the scope of consolidation, the choice of the principles of consolidation of the investments and the procedures adopted for this purpose are in agreement with IFRS. The structure of the consolidated financial statements is thus to be considered technically correct and, as a whole, conforms to the specific law.

The audit firm has issued its report on the consolidated financial statements with an unqualified opinion, noting, for purposes of full disclosure, that the Fiat Group has been excluded from the scope of line-by-line consolidation.

The report on operations adequately describes the results of operations and financial condition, the performance of operations during the course of 2006 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 11, 2007

THE BOARD OF STATUTORY AUDITORS

(Gianluca Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

IFI
Istituto Finanziario Industriale

Annual Report 2006

List of Group companies

The list of companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, subdivided by business segment, are set out in accordance with Consob resolution 11971 dated May 14, 1999, as amended (art. 126 of the Regulation), and Consob Communication 6064293 dated July 28, 2006.

Investments of IFI consolidated on a line-by-line basis

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation Interest held by		% of interest held	% of voting rights
IFI S.p.A.	ITALY	163,251,460	EUR				
IFIL INVESTMENTS S.p.A.	ITALY	1,075,995,737	EUR	63.71	IFI S.p.A. GIOVANNI AGNELLI E C. S.a. p.az. SOIEM S.p.A. (*) IFIL INVESTMENTS S.p.A. (*)	62.751 2.896 0.075 1.153	65.010 3.000 0.078 1.194

(*) Voting suspended.

Investments of the "IFIL Holdings System" consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 63.71%)

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation Interest held by		% of interest held	% of voting rights
COMPANIES OF THE HOLDINGS SYSTEM (Holding companies and services)							
IFIL INVESTMENT HOLDING N.V.	THE NETHERLANDS	54,000,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
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
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
SOIEM S.p.A.	ITALY	9,125,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL USA INC.	USA	500,000	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL ASIA LIMITED	HONG KONG CHINA (PEOPLE'S REP.)	1	HKD	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
EUFIN INVESTMENTS UNLIMITED U.K.	UNITED KINGDOM	243,100	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
C&W GROUP INC. (a)	USA	1	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
OPERATING COMPANIES							
Holding companies and other companies							
SEQUANA CAPITAL S.A.	FRANCE	73,679,608	EUR	48.88	IFIL INVESTISSEMENTS S.A.	48.879	48.879
Tourism and Hotel activities							
ALPITOUR S.p.A.	ITALY	17,725,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
Football club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	12,093,200	EUR	60.00	IFIL INVESTMENTS S.p.A.	60.001	60.001

(a) Company accounted for at cost in the 2006 consolidated financial statements since it was set up in December 2006.

**Investments of the Sequana Capital Group consolidated on a line-by-line basis
(percentage of IFI Group consolidation equal to 31.14%)**

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Paper						
AGENA N.V.	BELGIUM	62,000.00	EUR	100.00 ARJOWIGGINS PAPIERS COUCHES SAS	99.200	99.200
ANTALIS (HONG KONG) LIMITED	HONG KONG	150,000.00	HKD	100.00 ANTALIS OVERSEAS HOLDINGS LIMITED	99.993	99.993
				WIGGINS TEAPE LIMITED	0.007	0.007
ANTALIS (MALAYSIA) SDN. BHD.	MALAYSIA	2,500,000.00	MYR	100.00 ANTALIS OVERSEAS HOLDINGS LIMITED	100.000	100.000
ANTALIS (PROPRIETARY) LIMITED	SOUTH AFRICA	1,000.00	ZAR	100.00 ANTALIS SA HOLDINGS LIMITED	100.000	100.000
ANTALIS (SHANGAI) TRADING CO., LIMITED	PEOPLE'S REP. OF CHINA	1,200,000.00	HKD	100.00 ANTALIS (HONG KONG) LTD	100.000	100.000
ANTALIS (SINGAPORE) PTE LTD	SINGAPORE	10,000,000.00	SGD	100.00 ANTALIS OVERSEAS HOLDINGS LIMITED	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	80.000	80.000
				ANTALIS (SINGAPORE) PTE LTD	9.999	9.999
ANTALIS A/S	DENMARK	2,001,000.00	DKK	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS AG	SWITZERLAND	3,000,000.00	CHF	100.00 ANTALIS (SWITZERLAND) AG	100.000	100.000
ANTALIS BOLIVIA SRL	BOLIVIA	2,775,000.00	BoB	100.00 GMS DISTRIBUIDORA GRAFICA SA	0.036	0.036
				INVERSIONES ANTALIS HOLDING LTDA	99.964	99.964
ANTALIS BOTSWANA (PTY) LIMITED	BOTSWANA	80,000.00	BWP	100.00 ANTALIS SA HOLDINGS LIMITED	99.999	99.999
ANTALIS BV	THE NETHERLANDS	2,314,278.10	EUR	100.00 MUEHBACH B.V.	100.000	100.000
ANTALIS DO BRAZIL PRODUTOS PARA A INDUSTRIA GRAFICA LTDA	BRAZIL	6,866,161.00	BRL	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS OFFICE LIMITED	UNITED KINGDOM	1.00	GBP	100.00 ANTALIS INTERNATIONAL	100.000	100.000
ANTALIS ENVELOPES MANUFACTURING, S.L.	SPAIN	2,815,988.40	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS EUROPE HOLDINGS	UNITED KINGDOM	39,775,643.00	GBP	100.00 ANTALIS GROUP	100.000	100.000
				PROTALIS LIMITED	0.000	0.000
ANTALIS GMBH	GERMANY	4,725,000.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP	UNITED KINGDOM	136,926,562.00	GBP	100.00 ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
				PROTALIS LIMITED	0.000	0.000
ANTALIS GROUP HOLDINGS LIMITED	UNITED KINGDOM	575,179,200.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS HOLDINGS LIMITED	UNITED KINGDOM	86,244,205.00	GBP	100.00 ANTALIS GROUP	100.000	100.000
ANTALIS IBERIA SA	SPAIN	9,407,868.37	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS INTERNATIONAL SAS	FRANCE	596,966,040.00	EUR	100.00 SEQUANA CAPITAL MANAGERS	99.990	99.990
					<0.01	<0.01
ANTALIS INTERSERVICES NV/SA	BELGIUM	99,000,000.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
				MUEHBACH B.V.	0.000	0.000
ANTALIS IRELAND LIMITED	IRELAND	3,491,779.50	EUR	100.00 ANTALIS HOLDINGS LIMITED	100.000	100.000
				WIGGINS TEAPE LIMITED	0.000	0.000
ANTALIS LIETUVA UAB	LITHUANIA	4,000,000.00	LTL	100.00 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 SAS	99.995	99.995
				MUEHBACH B.V.	0.002	0.002
ANTALIS OFFICE SUPPLIES, S.L.	SPAIN	11,262,331.92	EUR	100.00 ANTALIS INTERNATIONAL SAS	98.830	98.830
				ANTALIS IBERIA	1.170	1.170
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 MUEHBACH B.V.	100.000	100.000
ANTALIS PERU SA	PERU	5,864,184.43	SOL	100.00 GMS DISTRIBUIDORA GRAFICA SA	0.002	0.002
				INVERSIONES ANTALIS HOLDING LTDA	99.998	99.998
ANTALIS POLAND SPOLKA Z.O.O.	POLAND	3,011,609.00	PLN	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PORTUGAL S.A.	PORTUGAL	4,990,000.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS BV	THE NETHERLANDS	907,560.43	EUR	100.00 ANTALIS INTERNATIONAL	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS GMBH	GERMANY	25,000,000.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS S.L.	SPAIN	26,913,010.00	EUR	100.00 ANTALIS IBERIA SA	81.410	81.410
				MUEHBACH B.V.	18.590	18.590
ANTALIS PROMOTIONAL PRODUCTS SNC	FRANCE	1,000,278.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	99.998	99.998
				ANTALIS PURCHASING SASU	0.002	0.002
ANTALIS PURCHASING SASU	FRANCE	40,000.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS S.R.O.	CZECH REPUBLIC	62,200,000.00	CZK	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS SA	ROMANIA	240,000.00	RON	100.00 MUEHBACH B.V.	100.000	100.000
ANTALIS SA HOLDINGS LIMITED	UNITED KINGDOM	1,001.00	GBP	100.00 ANTALIS GROUP	99.900	99.900
				PROTALIS LIMITED	0.100	0.100
ANTALIS SNC	FRANCE	25,309,566.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
				ANTALIS PURCHASING SASU	0.000	0.000
ANTALIS SPA	ITALY	18,937,828.00	EUR	99.37 ANTALIS INTERNATIONAL SAS	99.369	99.369
ANTALIS, A.S.	SLOVAK REP.	2,000,000.00	SKK	100.00 ANTALIS S.R.O.	61.000	61.000
				MUEHBACH B.V.	39.000	39.000
ANTAPRINT SRL	ITALY	50,000.00	EUR	100.00 CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SPA	100.000	100.000
ANTAREA SPA	ITALY	6,000,000.00	EUR	100.00 ANTALIS INTERNATIONAL	100.000	100.000
ANTHALO SRL	ITALY	100,000.00	EUR	100.00 CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SPA	50.000	50.000
				ANTAREA SPA	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	14.45	USD	100.00 ARJOWIGGINS	100.000	100.000
ARJO WIGGINS PTY LIMITED	AUSTRALIA	400,000.00	AUD	100.00 ARJOWIGGINS	100.000	100.000
ARJO WIGGINS APPLETON INSURANCE LIMITED	GUERNSEY	1,000,000.00	GBP	100.00 THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
				ARJO WIGGINS UK HOLDINGS LIMITED	0.000	0.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	200,000.00	AUD	99.99 ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS BELGIUM HOLDINGS S.A.	BELGIUM	193,852,736.37	EUR	100.00 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 ARJOWIGGINS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	UNITED KINGDOM	2.00	GBP	100.00 LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	UNITED KINGDOM	170,735,640.00	GBP	100.00 ARJO WIGGINS U.K. HOLDINGS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS INTERNATIONAL LTD	UNITED KINGDOM	75,000.00	GBP	100.00 LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00 LIMITED	100.000	100.000

**Investments of the Sequana Capital Group consolidated on a line-by-line basis
(percentage of IFI Group consolidation equal to 31.14%)**

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
ARJO WIGGINS CASTING PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00 THE WIGGINS TEAPE GROUP LIMITED	100.00	100.00
ARJOWIGGINS CHENMING SPECIALITY PAPERS CO., LTD.	PEOPLE'S REP. OF CHINA	150,000,000.00	CHN	70.00 ARJOWIGGINS HKK2 LTD	70.00	70.00
ARJO WIGGINS CHINA HOLDINGS LIMITED	UNITED KINGDOM	100.00	GBP	100.00 LODI 12 SAS	100.00	100.00
ARJO WIGGINS DEUTSCHLAND GMBH	GERMANY	12,271,005.15	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJO WIGGINS ERMISTAL 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 ERMISTAL VERWALTUNGS GMBH	GERMANY	25,564.59	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
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	2,556,459.00	EUR	99.99 ARJO WIGGINS BELGIUM SA	100.00	100.00
ARJO WIGGINS FINE PAPERS EXPORT LIMITED	UNITED KINGDOM	25,000.00	GBP	100.00 THE WIGGINS TEAPE GROUP LIMITED	100.00	100.00
ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	UNITED KINGDOM	10,253,565.00	GBP	100.00 ARJO WIGGINS UK HOLDINGS LIMITED	100.00	100.00
ARJO WIGGINS FINE PAPERS LIMITED	UNITED KINGDOM	25,010,000.00	GBP	100.00 THE WIGGINS TEAPE GROUP LIMITED	100.00	100.00
ARJO WIGGINS FINE PAPERS PTY LTD	AUSTRALIA	2.00	AUD	100.00 ARJO WIGGINS FINE PAPERS HOLDINGS LTD	100.00	100.00
ARJO WIGGINS GERMANY HOLDINGS LIMITED	UNITED KINGDOM	25,000,000.00	GBP	100.00 THE WIGGINS TEAPE GROUP LIMITED	100.00	100.00
ARJOWIGGINS HKK1 LTD	HONG KONG	1.00	HKD	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJOWIGGINS HKK2 LTD	HONG KONG	101,250,000.00	HKD	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJO WIGGINS ITALIA S.R.L.	ITALY	2,275,000.00	EUR	100.00 LIMITED	100.00	100.00
				ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS LIMITADA	BRAZIL	23,593,226.00	BRL	100.00 ARJO WIGGINS SECURITY	98.610	98.610
				ARJOWIGGINS	1.390	1.390
ARJO WIGGINS LIMITED	UNITED KINGDOM	92,260,100.00	GBP	100.00 IDEM LIMITED	100.00	100.00
ARJO WIGGINS MEDICAL INC	USA	2,201,280.00	USD	100.00 ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.00	100.00
ARJO WIGGINS NC, LLC	USA	13,258,824.00	USD	100.00 MURO INC.	100.00	100.00
ARJO WIGGINS S.P. ITALIA S.r.l.	ITALY	46,482.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJO WIGGINS SARL	SWITZERLAND	200,000.00	CHF	100.00 ARJOWIGGINS PAPIERS COUCHES SAS	99.500	99.500
				ARJOWIGGINS SAS	0.500	0.500
ARJO WIGGINS SPECIALTY HOLDINGS INC.	USA	200,000.00	USD	100.00 APPLETON COATED PAPERS HOLDINGS INC.	100.00	100.00
ARJO WIGGINS SVENSKA AB	SWEDEN	100,000.00	SEK	99.99 ARJO WIGGINS BELGIUM S.A.	100.00	100.00
ARJO WIGGINS UK HOLDINGS LIMITED	UNITED KINGDOM	206,000,000.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJO WIGGINS USA, INC	USA	1,000.00	USD	100.00 ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.00	100.00
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	100.00	100.00
ARJOBEX SAS	FRANCE	1,029,280.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJOWIGGINS S.r.l.o.	CZECH REPUBLIC	14,000,000.00	CZK	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJOWIGGINS CANSON SAS	FRANCE	5,356,213.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJOWIGGINS CHARTHAM LIMITED	UNITED KINGDOM	8,000,000.00	GBP	100.00 THE WIGGINS TEAPE GROUP LIMITED	100.00	100.00
ARJOWIGGINS IVYBRIDGE LIMITED	UNITED KINGDOM	2,500,000.00	GBP	100.00 THE WIGGINS TEAPE GROUP LIMITED	100.00	100.00
ARJOWIGGINS LE BOURRAY SAS	FRANCE	1,351,577.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJOWIGGINS PAPIERS COUCHES SAS	FRANCE	87,916,250.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJOWIGGINS RIVES	FRANCE	30,000,000.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
ARJOWIGGINS SAS	FRANCE	165,920,000.00	EUR	100.00 SEQUANA CAPITAL MANAGERS	99.990	99.990
					<0.01	<0.01
ARJOWIGGINS SECURITY SAS	FRANCE	70,000,000.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
AWA QINGDAO PAPER LIMITED	PEOPLE'S REP. OF CHINA	6,350,000.00	USD	63.15 ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	63.150	63.150
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
BRANGS AND HEINRICH GES.M.B.H.	AUSTRIA	570,000.00	EUR	100.00 ANTALIS (SWITZERLAND) AG	100.000	100.000
BRANGS AND HEINRICH GMBH	GERMANY	1,600,050.00	EUR	100.00 ANTALIS GMBH	100.000	100.000
BRANOPACK LIMITED	UNITED KINGDOM	175,000.00	GBP	100.00 ANTALIS (SWITZERLAND) AG	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 LIMITED	100.000	100.000
CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SPA	ITALY	2,000,000.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
CLASS PAPIER B.V.	THE NETHERLANDS	18,151.00	EUR	100.00 ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
CREA PAPIER GMBH	GERMANY	26,000.00	EUR	100.00 ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
DEKKER PACKAGING BV	THE NETHERLANDS	1,975,808.00	EUR	100.00 MUELBACH B.V.	100.000	100.000
DISTRIBUIDORA OFIMARKET SA	CHILE	2,930,611.86	CLP	50.00 INVERSIONES ANTALIS HOLDING LIMITADA	50.000	50.000
				GMS PRODUCTOS GRAFICOS LIMITADA	<0.001	<0.001
ESPECIALIDADES DEL PAPEL DE COLOMBIA LTDA (ESPACOL LTDA)	COLOMBIA	608,003,000.00	COP	99.93 TORDERA S.A.	99.697	99.697
EUROPEAN PRINTED PRODUCTS S.A.S. (E2P)	FRANCE	6,100,000.00	EUR	100.00 ARJOWIGGINS SAS	100.000	100.000
FAIRPRINT BV	THE NETHERLANDS	16,336.09	EUR	100.00 ANTALIS PROMOTIONAL PRODUCTS BV	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	1,662,792.00	EUR	84.60 ARJOWIGGINS SECURITY SAS	84.600	84.600
GMS DISTRIBUIDORA GRAFICA SA	CHILE	483,528,762.00	CLP	100.00 INVERSIONES ANTALIS HOLDING LIMITADA	1.000	1.000
				GMS PRODUCTOS GRAFICOS LIMITADA	99.000	99.000
GMS PRODUCTOS GRAFICOS LIMITADA	CHILE	30,515,570,540.00	CLP	100.00 INVERSIONES ANTALIS HOLDINGS LIMITADA	99.990	99.990
				MUELBACH B.V.	0.010	0.010
GRAPHIC SUPPLIES LIMITED	UNITED KINGDOM	1,000.00	USD	100.00 ANTALIS INTERNATIONAL SAS	100.000	100.000
GST - GRAPHIC SERVICES TEAM LIMITADA (BRESIL)	BRAZIL	852,787.00	BRL	100.00 MUELBACH B.V.	99.883	99.883
GUARRO CASAS FRANCE SARL	FRANCE	8,000.00	EUR	99.93 GUARRO CASAS S.A.	100.000	100.000
GUARRO CASAS S.A.	FRANCE	6,600,000.00	EUR	99.93 ARJOWIGGINS CANSON SAS	97.958	97.958
				GUARRO CASAS S.A. (*)	1.981	1.981
GUERIMAND SAS	FRANCE	11,800,000.00	EUR	100.00 ARJOWIGGINS SAS	100.000	100.000
HARDWARE SOFTWARE ENGINEERING SRL	ITALY	20,000,000.00	EUR	100.00 MUELBACH B.V.	100.000	100.000
I-PAPERS LIMITED	UNITED KINGDOM	5,000.00	GBP	100.00 LIMITED	100.000	100.000
IDEM LIMITED	UNITED KINGDOM	92,250,002.00	GBP	100.00 ARJO WIGGINS BELGIUM HOLDINGS S.A.	81.301	81.301
				LIMITED	18.699	18.699

(*) Voting suspended.

**Investments of the Sequana Capital Group consolidated on a line-by-line basis
(percentage of IFI Group consolidation equal to 31.14%)**

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
INTERPAPEL S.A.	MEXICO	50,000.00	MXP	99.93 TORDERA S.A.	100.00	100.00
INVERSIONES ANTALIS HOLDINGS LIMITADA	CHILE	18,693,542,100.00	CLP	100.00 ANTALIS OVERSEAS HOLDINGS LIMITED ANTALIS INTERNATIONAL SAS MÜHLEBACH B.V.	12.890 59.130 27.980	12.890 59.130 27.980
ISSY 5 EUROL	FRANCE	8,000.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
JAMICE	FRANCE	38,125.00	EUR	100.00 ARJOWIGGINS	100.00	100.00
LODI T1 SAS	FRANCE	40,000.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
LODI 12	FRANCE	38,112.00	EUR	100.00 ARJOWIGGINS	100.00	100.00
MJ.RO. INC.	USA	10,291,000.00	USD	100.00 ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.00	100.00
MÜHLEBACH B.V.	THE NETHERLANDS	21,500.00	EUR	100.00 ANTALIS INTERNATIONAL SAS	100.00	100.00
NEWTON FALLS LLC	USA	1.00	USD	100.00 APPLETON COATED LLC	100.00	100.00
PACIFIC SOLUTIONS GROUP LIMITED	HONG KONG	100,000.00	HKD	100.00 ANTALIS INTERNATIONAL SAS ANTALIS (HONG KONG) LIMITED	99.000 1.000	99.000 1.000
PAPER PEOPLE LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00 ANTALIS LIMITED	100.00	100.00
PERFORMANCE PAPERS LIMITED	UNITED KINGDOM	550,000.00	GBP	100.00 THE WIGGINS TEAPE GROUP LIMITED	100.00	100.00
PRIPLAK SAS	FRANCE	323,554.00	EUR	100.00 ARJOWIGGINS SAS	100.00	100.00
PROTALIS LIMITED	UNITED KINGDOM	4,100.00	GBP	100.00 ANTALIS GROUP HOLDINGS LIMITED	100.00	100.00
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	100.00	100.00
SARNIA (PTY) LIMITED	BOTSWANA	1,345,625.00	BWP	100.00 FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	92.569	100.00
SIMGE ANTALIS KAGIT SANAYI VE TICARET AS	TURKEY	31,459,475,000,000.00	TLR	100.00 MÜHLEBACH B.V.	100.00	100.00
SOCIEDAD COMERCIALIZADORA DE PAPELES ESPACHILE LTDA	CHILE	16,995,300.00	CLP	99.93 TORDERA S.A.	100.00	100.00
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	100.00	100.00
TORDERA S.A.	PANAMA	97,000.00	USD	99.93 GUARRO CASAS S.A.	100.00	100.00
VEILIGHEIDSPAPIERFABRIEK UGCHELEN	THE NETHERLANDS	6,806,703.24	EUR	100.00 ARJOWIGGINS SECURITY SAS	100.00	100.00
WIGGINS TEAPE LIMITED	UNITED KINGDOM	21,300,000.00	GBP	100.00 ANTALIS LIMITED	100.00	100.00
WILLOW PAPER COMPANY LIMITED	UNITED KINGDOM	16,000.00	GBP	100.00 ANTALIS LIMITED	100.00	100.00
WITCEL S.A.	ARGENTINA	1,901,200.00	USD	100.00 ARJOWIGGINS SECURITY SAS ARJOWIGGINS SAS	95.000 5.000	95.000 5.000
Holding companies and other companies						
ANTONIN RODET SAS	FRANCE	11,100,000.00	EUR	100.00 W PARTICIPATIONS SAS	100.00	100.00
AP CROISSANCE SAS	FRANCE	40,000.00	EUR	100.00 SEQUANA CAPITAL	100.00	100.00
AP GESTION ET FINANCEMENT SAS	FRANCE	40,000.00	EUR	100.00 SEQUANA CAPITAL	100.00	100.00
ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	BERMUDAS	15,000.00	USD	100.00 ARJO WIGGINS APPLETON LIMITED	20.000	100.00
ARJO WIGGINS APPLETON LIMITED	UNITED KINGDOM	213,954,077.75	GBP	100.00 SEQUANA CAPITAL	100.00	100.00
ARJO WIGGINS APPLETON (BERMUDA) LIMITED	BERMUDAS	61,020.00	USD	100.00 ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	89.910	89.910
ARJO WIGGINS APPLETON HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00 ARJO WIGGINS APPLETON LIMITED AWA FINANCE	99.900 0.100	99.900 0.100
ARJO WIGGINS EUROPE HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00 ARJO WIGGINS APPLETON LIMITED ARJO WIGGINS APPLETON HOLDINGS	99.900 0.100	99.900 0.100
ARJO WIGGINS NORTH AMERICA INVESTMENTS	UNITED KINGDOM	1,000.00	GBP	100.00 ARJO WIGGINS APPLETON LIMITED AWA FINANCE	99.900 0.100	99.900 0.100
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
AWA FINANCE	UNITED KINGDOM	1,000.00	GBP	100.00 ARJO WIGGINS APPLETON LIMITED ARJO WIGGINS APPLETON HOLDINGS	99.900 0.100	99.990 0.100
BOCCAFIN	FRANCE	286,219,820.00	EUR	100.00 SEQUANA CAPITAL	100.00	100.00
FINANCIERE WORMS & CIE S.A.	SWITZERLAND	250,000.00	CHF	100.00 BOCCAFIN	100.00	100.00
SEQUANA CAPITAL UK LIMITED	UNITED KINGDOM	120,714.00	GBP	100.00 SEQUANA CAPITAL	100.00	100.00
SOCIETE FERMIERE ET DE PARTICIPATIONS S.A. (IN LIQUIDATION)	FRANCE	2,287,500.00	EUR	100.00 W PARTICIPATIONS SAS	99.986	99.986
W PARTICIPATIONS SAS	FRANCE	42,696,720.00	EUR	100.00 SEQUANA CAPITAL	100.00	100.00
W SYSTEMES ET INFORMATION	FRANCE	N.D.	EUR	100.00 ANTALIS INTERNATIONAL SAS ARJOWIGGINS SAS SEQUANA CAPITAL	39.500 44.000 16.500	39.500 44.000 16.500

**Investments of the Alpitour Group consolidated on a line-by-line basis
(percentage of IFI Group consolidation equal to 63.71%)**

Name	Country	Capital stock at 12/31/06	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Sector of activity: HOTEL MANAGEMENT							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALPITOUR WORLD HOTELS & RESORTS S.p.A.	ITALY	140,385.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
BLUE MARIN TUNISIE S.A.	TUNISIA	3,000,000.00	TND	99.998	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	99.998	99.998
BLUMARIN DE IMPORTAÇÃO, SOCIEDAD UNIPESOAAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESOAAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESOAAL, S.A.	CAPE VERDE	2,500,000.00	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
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	4,000,000.00	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESOAAL LDA	PORTUGAL	5,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000.00	EGP	100.000	ALPITOUR WORLD HOTELS & RESORTS S.p.A.	100.000	100.000
KELIBIA BEACH S.A.	TUNISIA	6,000,000	TND	99.990	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.990	99.990
KIWENGWA LIMITED	TANZANIA	745,559,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.964	98.964
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, 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 UNIPESOAAL, LDA	1.000	1.000
MEDITERRANEAN TOURIST COMPANY S.A.	GREECE	3,603,900.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
NETRADE S.P.A.	ITALY	300,000.00	EURO	100.000	ALPITOUR WORLD HOTELS & RESORTS S.p.A.	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000.00	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000.00	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESOAAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
Sector of activity: INSURANCE							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	750,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	100.000	100.000
Sector of activity: DISTRIBUTION (Travel agency)							
WELCOME TRAVEL GROUP S.p.A.	ITALY	6,380,000	EURO	100.000	ALPITOUR S.P.A.	100.000	100.000
BLUE VIAGGI S.A.	SWITZERLAND	100,000	CHF	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
Sector of activity: INCOMING SERVICES							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESOAAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	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	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS FRANCE S.A.	FRANCE	152,400.00	EURO	99.970	JUMBOTURISMO S.A. UNIPERSONAL	99.970	99.970
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	105,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	49.983

**Investments of the Alpitour Group consolidated on a line-by-line basis
(percentage of IFI Group consolidation equal to 63.71%)**

Name	Country	Capital stock		% of Group		% of interest held	% of voting rights
		at 12/31/06	Currency	consolidation	Interest held by		
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EURO	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	400,000.00	MAD	99.700	JUMBOTURISMO S.A. UNIPERSONAL	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
Sector of activity: TOUR OPERATING							
FRI M.I.C.E. S.r.l.	ITALY	10,400.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
Sector of activity: AIRLINE							
NEOS S.p.A.	ITALY	4,425,800.00	EURO	100.000	ALPITOUR S.p.A. WELCOME TRAVEL GROUP S.p.A.	100.000 0.000	100.000 0.000

**Investments of the “IFIL Holdings System” accounted for by the equity method
(percentage of IFI Group consolidation equal to 63.71%)**

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights	
Holding companies and other companies							
FIAT S.p.A. (a)	ITALY	6,377,257,130	EUR	28.60	FIAT INVESTMENTS S.p.A. FIAT S.p.A. (*)	28.513 0.331	30.450 0.387
Real estate - Tourism							
TURISMO & IMMOBILIARE S.p.A. (b)	ITALY	120,000	EUR	-	IFIL INVESTISSEMENTS S.A.	25.000	25.000
Holding companies and other companies							
SADCO S.A. (c)	SWITZERLAND	300,000	CHF	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000

(a) The investments of the Fiat Group are shown separately.

(b) Investment sold on March 26, 2007.

(c) Company in liquidation.

(*) Voting suspended.

**Investments of the Sequana Capital Group accounted for by the equity method
(percentage of IFI Group consolidation equal to 31.14%)**

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights	
Paper							
DIMAGRAF SA	ARGENTINE	125,000.00	ARS	30.00	INVERSIONES ANTALIS HOLDINGS LTDA	30.000	30.000
MWT PAPER PROCESSING LIMITED	MAURITIUS	20,000,000.00	MUR	50.00	ANTALIS INTERNATIONAL	50.000	50.000
QUIMIGRAF SA	ARGENTINE	100,000.00	ARS	30.00	INVERSIONES ANTALIS HOLDINGS LTDA	30.000	30.000

**Investments of the Alpitour Group accounted for by the equity method
(percentage of IFI Group consolidation equal to 63.71%)**

Name	Country	Capital stock at 12/31/06	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights	
Sector of activity: 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
VACANZEINITALIA S.p.A.	ITALY	300,000	EURO	50.000	ALPITOUR S.p.A.	50.000	50.000
Sector of activity: Distribution (Travel agency)							
AGENZIA VIAGGI SAUGO S.r.l.	ITALY	20,938.00	EURO	95.000	WELCOME TRAVEL GROUP S.p.A.	95.000	95.000
Sector of activity: Incoming services							
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000	EGP	50.000	ALPITOUR S.p.A.	50.000	50.000
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EURO	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EURO	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	EURO	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EURO	30.000	ALPITOUR S.p.A.	30.000	30.000

Significant investments of the “IFIL Holdings System”.

Name	Country	Capital stock at 12/31/2006	Currency Interest held by	% of interest held	% of voting rights
Holding companies and other companies					
SANPAOLO IMI S.p.A.	ITALY	5,399,586,248	EUR IFIL INVESTMENTS S.p.A.	4.964	5.851
GRUPPO BANCA LEONARDO S.p.A.	ITALY	163,990,200	EUR IFIL INVESTISSEMENTS S.A.	9.597	9.597
SGS S.A.	SWITZERLAND	156,448,720	CHF IFIL INVESTISSEMENTS S.A.	13.16	13.16
EUROMEDIA LUXEMBOURG ONE S.A. (a)	LUXEMBOURG	44,887,500	USD IFIL INVESTISSEMENTS S.A. FIAT NETHERLAND HOLDING N.V.	14.286	14.286

(a) Company in liquidation.

Significant investments of Juventus Football Club S.p.A.

Name	Country	Capital stock at 12/31/2006	Currency Interest held by	% of interest held	% of voting rights
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	69.800
Stadium management					
SEMANA S.r.l.	ITALY	100,000	EUR JUVENTUS FOOTBALL CLUB S.p.A.	30.000	30.000

(*) Voting suspended.

Significant investments of the Sequana Capital Group

Name	Country	Capital stock at 12/31/2006	Currency Interest held by	% of interest held	% of voting rights
Paper					
EXPRESSO PAPER PLATFORM BV	THE NETHERLANDS	3,346,410.20	EUR MÜHLEBACH B.V.	12.895	12.895

Significant investments of the Alpitour Group

Name	Country	Capital stock at 12/31/06	Currency Interest held by	% of interest held	% of voting rights
Sector of activity: Distribution (Travel agency)					
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EURO WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
TEAM TRAVEL SERVICE S.r.l.	ITALY	102,000.00	EURO WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
WELCOME TRAVEL SUD S.R.L.	ITALY	100,000.00	EURO WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
Sector of activity: Incoming services					
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS ZANZIBAR LIMITED	TANZANIA	1,000,000.00	TZS JUMBOTURISMO S.A. UNIPERSONAL	49.000	49.000

The companies of the Fiat Group

In the consolidated financial statements of the IFI Group, the investment held through IFIL S.p.A. in the Fiat Group (18.22% at the IFI Group level) is accounted for by the equity method (please refer to Notes 5 and 44 in the consolidated financial statements).

For purposes of complete disclosure, this appendix shows the investments of the Fiat Group exactly as they are presented in the consolidated financial statements of the Fiat Group.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
Controlling company						
Parent company						
Fiat S.p.A.	Turin	Italy	6,377,257,130 EUR	- -	-	-
Subsidiaries consolidated on a line-by-line basis						
Automobiles						
Fiat Auto S.p.A.	Turin	Italy	645,031,979 EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
Banco Fidis de Investimento SA	Belim	Brazil	116,235,465 BRL	100.00 Fidis S.p.A.	98.970	
				Fiat Automoveis S.A. - FIASA	1.030	
Clickar Assistance S.R.L.	Turin	Italy	335,632 EUR	100.00 Fidis S.p.A.	100.000	
Customer Center S.r.l.	Turin	Italy	2,500,000 EUR	100.00 Fiat Auto S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	10,400 EUR	100.00 Fiat Auto S.p.A.	99.000	
				Fiat Center Italia S.p.A.	1.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	476,464,366 ARS	100.00 Fiat Auto S.p.A.	72.495	
				Fiat Automoveis S.A. - FIASA	27.505	
Fiat Auto (Belgio) S.A.	Brussels	Belgium	18,600,000 EUR	100.00 Fiat Finance Netherlands B.V.	99.998	
				Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000 EUR	99.84 Fiat Auto (Belgio) S.A.	99.839	
Fiat Auto España S.A.	Alcalá De Henares	Spain	35,346,850 EUR	100.00 Fiat Finance Netherlands B.V.	99.998	
				Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Hellas S.A.	Argyroupoli	Greece	62,033,499 EUR	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Auto (Ireland) Ltd.	Dublin	Ireland	5,078,952 EUR	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Japan K.K.	Minato-Ku, Tokyo	Japan	420,000,000 JPY	100.00 Fiat Auto S.p.A.	100.000	
Fiat Auto Maroc S.A.	Casablanca	Morocco	1,000,000 MAD	99.95 Fiat Auto S.p.A.	99.950	
Fiat Auto Nederland B.V.	Ljnden	The Netherlands	5,672,250 EUR	100.00 Fiat Netherlands Holding N.V.	100.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600 PLN	100.00 Fiat Auto S.p.A.	100.000	
Fiat Auto Portuguesa S.A.	Alges	Portugal	1,000,000 EUR	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Auto South Africa (Proprietary) Ltd	Sunninghill	South Africa	640 ZAR	100.00 Fiat Auto S.p.A.	100.000	
Fiat Auto (Suisse) S.A.	Schlieren	Switzerland	21,400,000 CHF	100.00 Fiat Auto S.p.A.	100.000	
Fiat Auto (U.K.) Ltd	Slough Berkshire	United Kingdom	44,600,000 GBP	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000 EUR	100.00 Fiat Auto S.p.A.	100.000	
Fiat Automobil AG	Heilbronn	Germany	97,280,000 EUR	100.00 Fiat Finance Netherlands B.V.	99.000	
				Fiat Auto (Suisse) S.A.	1.000	
Fiat Automobil GmbH	Vienna	Austria	37,000 EUR	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000 EUR	100.00 Fiat Automobil AG	100.000	
Fiat Automobil Danmark A/S	Glostrup	Denmark	55,000,000 DKK	100.00 Fiat Finance Netherlands B.V.	100.000	
Fiat Automoveis S.A. - FIASA	Belim	Brazil	1,233,506,013 BRL	100.00 Fiat Auto S.p.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000 EUR	100.00 Fiat Auto S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Geneva	Switzerland	13,000,000 CHF	100.00 Fiat Auto (Suisse) S.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000 CZK	100.00 Fiat Auto S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	142,630,748 ARS	100.00 Fidis S.p.A.	99.999	
				Fiat Auto Argentina S.A.	0.001	
Fiat Finance Netherlands B.V.	Amsterdam	The Netherlands	690,000,000 EUR	100.00 Fiat Auto S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520 EUR	100.00 Fiat Finance Netherlands B.V.	100.000	
(*) Fiat India Automobiles Private Limited	Mumbai	India	19,620,126,500 INR	100.00 Fiat Auto S.p.A.	100.000	
(*) Fiat India Private Ltd.	Mumbai	India	8,363,617,700 INR	100.00 Fiat India Automobiles Private Limited	52.196	52.628
				Fiat Auto S.p.A.	47.804	47.372
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000 HUF	100.00 Fiat Auto S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000 GBP	100.00 Fiat Auto (U.K.) Ltd	100.000	
Fiat Purchasing Italia S.r.l.	Turin	Italy	600,000 EUR	100.00 Fiat Auto S.p.A.	100.000	
FIAT Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000 PLN	100.00 Fiat Auto S.p.A.	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000 SKK	100.00 Fiat Auto S.p.A.	100.000	
Fiat Teamsys GmbH	Heilbronn	Germany	500,000 EUR	100.00 Fiat Automobil AG	100.000	
Fiat Teamsys S.A.	Alges	Portugal	50,000 EUR	100.00 Fiat Auto Portuguesa S.A.	100.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000 EUR	100.00 Fiat Automobil AG	51.000	
				Rimaco S.A.	49.000	
Fidis Hungary Ltd. under liquidation	Budapest	Hungary	13,000 EUR	100.00 Fidis S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	311,232,342 EUR	100.00 Fiat Auto S.p.A.	99.900	
				Nuove Iniziative Finanziarie 2 S.r.l.	0.100	
i-FAST Automotive Logistics S.r.l.	Turin	Italy	500,000 EUR	100.00 Fiat Auto S.p.A.	100.000	
Inmap 2000 Espana S.L.	Alcalá De Henares	Spain	4,698,919 EUR	100.00 Fiat Auto España S.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680 EUR	100.00 Fiat France	99.997	
Italian Automotive Center S.A.	Brussels	Belgium	8,500,000 EUR	100.00 Fiat Auto (Belgio) S.A.	99.988	
				Nuove Iniziative Finanziarie 2 S.r.l.	0.012	
New Business 16 S.p.A. a socio unico	Chivasso	Italy	1,500,000 EUR	100.00 Fiat Auto S.p.A.	100.000	
Sala-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000 EUR	100.00 Fiat Auto S.p.A.	100.000	
SCDR Automotive Limited	Basildon	United Kingdom	50,000 GBP	100.00 Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR (Ireland) Limited	Dublin	Ireland	70,000 EUR	100.00 Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR (Switzerland) S.A.	Schlieren	Switzerland	100,000 CHF	100.00 Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000 EUR	100.00 Fiat Auto S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000 EUR	100.00 Fidis S.p.A.	100.000	
Targays Espana S.L.	Alcalá De Henares	Spain	5,000 EUR	100.00 Fiat Auto España S.A.	100.000	
Ferrari						
Ferrari S.p.A.	Modena	Italy	20,260,000 EUR	85.00 Fiat S.p.A.	85.000	
Charles Pozzi S.a.r.l.	Levallois-Perret	France	959,519 EUR	85.00 Ferrari West Europe S.A.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000 EUR	85.00 Ferrari International S.A.	100.000	
Ferrari Financial Services AG	Monaco	Germany	1,777,600 EUR	78.50 Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	600,000 EUR	78.50 Ferrari S.p.A.	90.000	
Ferrari GB Limited	Slough Berkshire	United Kingdom	50,000 GBP	85.00 Ferrari International S.A.	100.000	
Ferrari G.E.D. S.p.A.	Modena	Italy	31,000,000 EUR	85.00 Ferrari S.p.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000 EUR	85.00 Ferrari S.p.A.	99.999	
				Ferrari N.America Inc.	0.001	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000 USD	85.00 Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000 USD	85.00 Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000 CHF	85.00 Ferrari International S.A.	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Ferrari West Europe S.A.	Levallois-Perret	France	280,920	EUR	85.00	Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Maytín	Switzerland	1,000,000	CHF	85.00	Ferrari International S.A.	100.000	
Pozzi Rent Snc	Lyon	France	15,256	EUR	85.00	Ferrari West Europe S.A.	100.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	6,000,000	EUR	85.00	Ferrari International S.A.	100.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	85.00	Ferrari N.America Inc.	100.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati (Suisse) S.A.	Nyon	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati West Europe société par actions simplifiée	Levallois-Perret	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	The Netherlands	531,719,530	EUR	89.71	Fiat Netherlands Holding N.V. CNH Global N.V.	89.652 0.066	89.711 0.000
Austof Industries Limited	St. Marys	Australia	16,353,225	AUD	89.71	CNH Australia Pty Limited	100.000	
Banco CNH Capital S.A.	Curitiba	Brazil	252,285,242	BRL	89.71	CNH Global N.V. CNH Latin America Ltda.	98.760 1.240	
Blit Group Inc.	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	89.71	Blit Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	89.71	CNH Capital America LLC	100.000	
Case Credit Australia Investments Pty Ltd	St. Marys	Australia	71,516,000	AUD	89.71	CNH Australia Pty Limited	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	89.71	CNH Capital America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	89.71	CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
Case Europe S.r.l.	La Plessis-Belleville	France	7,622	EUR	89.71	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Berlin	Germany	281,211	EUR	89.71	CNH America LLC	100.000	
Case IH Machinery Trading Shanghai Co. Ltd.	Shanghai	People's Rep. of China	2,250,000	USD	89.71	CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	89.71	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	89.71	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	89.71	CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	89.71	CNH Global N.V.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	89.71	CNH America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	89.71	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	89.71	New Holland Holdings Argentina S.A. CNH Latin America Ltda.	80.654 19.346	
CNH Asian Holding Limited N.V.	Zedelgem	Belgium	34,594,401	EUR	89.71	CNH Global N.V.	100.000	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	89.71	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	89.71	CNH International S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	89.71	CNH International S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	89.71	CNH Global N.V.	100.000	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	89.71	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,248,874	AUD	89.71	CNH Australia Pty Limited	100.000	
CNH Capital Automotive Receivables LLC	Wilmington	U.S.A.	0	USD	89.71	CNH Capital America LLC	100.000	
CNH Capital Benelux	Zedelgem	Belgium	6,350,000	EUR	89.71	CNH Global N.V. CNH Capital U.K. Ltd	98.999 1.001	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	89.71	Case Credit Holdings Limited CNH Canada, Ltd.	99.500 0.500	
CNH Capital (Europe) plc	Dublin	Ireland	38,100	EUR	89.71	CNH Capital plc CNH Global N.V. CNH Financial Services A/S CNH International S.A. CNH Trade N.V. CNH Financial Services S.r.l.	99.984 0.005 0.003 0.003 0.003 0.002	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	89.71	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	89.71	CNH America LLC	100.000	
CNH Capital plc	Dublin	Ireland	6,386,791	EUR	89.71	CNH Global N.V.	100.000	
CNH Capital RACES LLC	Wilmington	U.S.A.	1,000	USD	89.71	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	89.71	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	89.71	CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	San Pedro	Mexico	135,634,842	MXN	89.71	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	89.71	CNH International S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	89.71	CNH International S.A.	100.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	89.71	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	1,151,000	EUR	89.71	CNH International S.A.	100.000	
CNH Financial Services S.A.S.	Puteaux	France	28,860,625	EUR	89.71	CNH Global N.V. CNH Capital Benelux	98.040 1.960	
CNH Financial Services S.r.l.	Modena	Italy	10,400	EUR	89.71	CNH Capital plc	100.000	
CNH France S.A.	Moigny-Champigny	France	138,813,150	EUR	89.71	CNH International S.A.	100.000	
CNH International S.A.	Luxembourg	Luxembourg	300,000,000	USD	89.71	CNH Global N.V.	100.000	
CNH Italia s.p.a.	Modena	Italy	15,600,000	EUR	89.71	CNH Österreich GmbH CNH Global N.V.	75.000 25.000	
CNH Latin America Ltda.	Contagem	Brazil	967,783,051	BRL	89.71	CNH Global N.V. Case Brazil Holdings Inc. Case Equipment International Corporation	85.658 12.557 1.785	
CNH Maquinaria Spain S.A.	Costada	Spain	21,000,000	EUR	89.71	CNH International S.A.	100.000	
CNH Österreich GmbH	St. Valentin	Austria	2,000,000	EUR	89.71	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,860	PLN	89.71	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	89.71	CNH International S.A. CNH Italia s.p.a.	99.980 0.020	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
CNH Receivables LLC	Wilmington	U.S.A.	0 USD	89.71 CNH Capital America LLC	100.00	
CNH Serviços Técnicos e Desenvolvimento de Negócios Ltda	Curitiba	Brazil	1,000,000 BRL	89.71 Banco CNH Capital S.A.	100.00	
CNH Trade N.V.	Amsterdam	The Netherlands	50,000 EUR	89.71 CNH Global N.V.	100.00	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275 GBP	89.71 New Holland Holding Limited	100.00	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0 USD	89.71 CNH Capital America LLC	100.00	
Flatalls North America LLC	Wilmington	U.S.A.	32 USD	89.71 CNH America LLC	100.00	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	3,291,776 GBP	89.71 CNH Canada, Ltd.	100.00	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep. of China	2,859,091 USD	89.71 CNH Asian Holding Limited N.V. CNH International S.A.	99.00 1.00	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000 USD	89.71 CNH America LLC	100.00	
JV Uzcaseagroteasing LLC	Tashkent	Uzbekistan	0 USD	45.75 Case Credit Holdings Limited	51.00	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0 USD	53.83 Case Equipment Holdings Limited	60.00	
JV UzCaseService LLC	Tashkent	Uzbekistan	0 USD	45.75 Case Equipment Holdings Limited	51.00	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0 USD	45.75 Case Equipment Holdings Limited	51.00	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0 USD	58.31 New Holland Excavator Holdings LLC	65.00	
MBA AG	Bassersdorf	Switzerland	4,000,000 CHF	89.71 CNH Global N.V.	100.00	
New Holland Australia Pty Ltd	St. Marys	Australia	1 AUD	89.71 CNH Australia Pty Limited	100.00	
New Holland Credit Australia Pty Limited	St. Marys	Australia	725,834 AUD	89.71 CNH Capital Australia Pty Limited	100.00	
New Holland Credit Company, LLC	Wilmington	U.S.A.	0 USD	89.71 CNH Capital LLC	100.00	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0 USD	89.71 CNH America LLC	100.00	
New Holland Holding Limited	London	United Kingdom	165,000,000 GBP	89.71 CNH International S.A.	100.00	
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	23,555,415 ARS	89.71 CNH Latin America Ltda.	100.00	
New Holland Kobelco Construction Machinery Belgium SA	Herstal-liez-Liège	Belgium	247,900 EUR	66.94 New Holland Kobelco Construction Machinery S.p.A.	99.99	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291 EUR	66.95 CNH Italia s.p.a.	74.625	
New Holland Ltd	Basildon	United Kingdom	1,000,000 GBP	89.71 CNH Global N.V.	100.00	
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500 EUR	89.71 New Holland Holding Limited	100.00	
New Holland Tractors (India) Private Ltd	New Delhi	India	1,949,835,804 INR	89.71 CNH Asian Holding Limited N.V.	100.00	
O & K - Hilfe GmbH	Barlin	Germany	25,565 EUR	89.71 CNH Baumaschinen GmbH	100.00	
Pfhor Foundry Inc.	Oklahoma City	U.S.A.	1,000 USD	89.71 CNH America LLC	100.00	
Receivables Credit II Corporation	Calgary	Canada	1 CAD	89.71 CNH Capital America LLC	100.00	
RocCaseMash	Saratov	Russia	200,000 RUR	34.31 Case Equipment Holdings Limited	38,250	51.00
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep. of China	35,000,000 USD	53.83 CNH Asian Holding Limited N.V.	60.00	
Powertrain Technologies						
Fiat Powertrain Technologies SpA	Turin	Italy	750,000,000 EUR	100.00 Fiat Partecipazioni S.p.A.	100.00	
FMA - Fabbrica Motori Automobilistici S.r.l.	Prato/Serra	Italy	306,186,210 EUR	100.00 Fiat Powertrain Technologies SpA	100.00	
Milantech S.R.L.	Cusago	Italy	100,000 EUR	100.00 Fiat Powertrain Technologies SpA	100.00	
Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	Demirtas-Bursa	Turkey	75,329,600 TRY	100.00 Fiat Auto Holdings B.V. in liquidate Fiat Powertrain Technologies SpA	99.980 0.020	
Trucks and Commercial Vehicles						
Iveco S.p.A.	Turin	Italy	858,400,000 EUR	100.00 Fiat S.p.A. Fiat Partecipazioni S.p.A.	60.563 39.437	
Afin Asigurari S.r.l.	Bucharest	Romania	2,000,000 RON	100.00 s.c. Afin Leasing Ifn s.a.	100.00	
Afin Bohemia	Prague	Czech Republic	30,000 EUR	100.00 Afin Leasing AG	100.00	
Afin Bulgaria EAD	Sofia	Bulgaria	200,000 BGL	100.00 Afin Leasing AG	100.00	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000 HUF	100.00 Afin Leasing AG	100.00	
Afin Leasing AG	Vienna	Austria	1,500,000 EUR	100.00 Iveco International Trade Finance S.A.	100.00	
Afin Slovakia S.R.O.	Bratislava	Slovak Republic	30,000 EUR	100.00 Afin Leasing AG	100.00	
Afin Trade Bulgaria Eood	Sofia	Bulgaria	5,000 BGL	100.00 Afin Bulgaria EAD	100.00	
Afin Trade Vostok OOO	Moscow	Russia	345,000 RUR	100.00 Afin Leasing AG	100.00	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	3,000,000 ETB	70.00 Iveco S.p.A.	70.00	
AS Afin Baltica	Talinn	Estonia	800,000 EEK	100.00 Afin Leasing AG	100.00	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000 EUR	100.00 Iveco S.p.A.	100.00	
Brandschutztechnik Gorlitz GmbH	Gorlitz	Germany	511,292 EUR	88.00 Iveco Magirus Brandschutztechnik GmbH	88.00	
C.A.M.I.V.A. Constructeurs Associés de Matériels d'Incendie, Voirie, Aviation S.A.	Saint-Alban-Laysse	France	1,870,169 EUR	99.96 Iveco Magirus Fire Fighting GmbH	99.961	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038 EUR	59.39 Iveco España S.L.	59.387	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838 EUR	100.00 Iveco Investitions GmbH	90.00	
				Iveco S.p.A.	10.00	
Electronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.)	Turin	Italy	109,200 EUR	100.00 Iveco S.p.A.	100.00	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797 EUR	63.24 CNH Global N.V. Iveco S.p.A.	33.333 33.333	
FPT - Powertrain Technologies France S.A.	Garchizy	France	73,444,960 EUR	100.00 Iveco France Iveco Participations S.A.	97.200 2.800	
Heuliez Bus S.A.	Rothais	France	9,000,000 EUR	100.00 Société Charolaise de Participations S.A.	100.00	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565 EUR	100.00 Iveco Investitions GmbH	95.00	
				Iveco S.p.A.	5.00	
Ikarus Epyedi Autobusz GY	Budapest	Hungary	350,000,000 HUF	68.15 Iveco España S.L.	68.146	
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 Iveco España S.L.	100.000	
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000 EUR	100.00 Iveco France Société Charolaise de Participations S.A.	99.983 0.017	
Irisbus Deutschland GmbH	Mainz-Mombach	Germany	8,800,000 EUR	100.00 Iveco España S.L.	100.00	
Irisbus Italia S.p.A.	Turin	Italy	44,644,811 EUR	100.00 Iveco España S.L.	100.00	
Irisbus (U.K.) Ltd	Wafford	United Kingdom	200,000 GBP	100.00 Iveco España S.L.	100.00	
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	
Iveco Argentina S.A.	Cordoba	Argentina	130,237,793 ARS	100.00 Iveco España S.L. Astra Veicoli Industriali S.p.A.	99.000 1.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000 EUR	100.00 Iveco S.p.A.	100.00	
Iveco Bayern GmbH	Nuirmberg	Germany	742,000 EUR	100.00 Iveco Magirus AG	100.00	
Iveco Contract Services Limited	Wafford	United Kingdom	17,000,000 GBP	100.00 Iveco Partecipazioni Finanziarie S.r.l.	100.00	
Iveco Danmark A/S	Glostrup	Denmark	501,000 DKK	100.00 Iveco S.p.A.	100.00	
Iveco España S.L.	Madrid	Spain	121,612,116 EUR	100.00 Iveco S.p.A.	100.00	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
Iveco Est Sas	Haucourt	France	305,600 EUR	100.00 Iveco France	100.000	
Iveco Finland OY	Espoo	Finland	200,000 EUR	100.00 Iveco S.p.A.	100.000	
Iveco France	Vénissieux	France	92,856,130 EUR	100.00 Iveco España S.L. Iveco S.p.A.	50.326 49.674	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000 GBP	100.00 Iveco S.p.A.	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	30,800,000 CHF	100.00 Iveco Partecipazioni Finanziarie S.r.l.	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	Vila da Serra	Brazil	684,700,000 BRL	100.00 Iveco España S.L. Astra Veicoli Industriali S.p.A.	99.999 0.001	
Iveco Limited	Watford	United Kingdom	117,000,000 GBP	100.00 Iveco Holdings Limited	100.000	
Iveco L.V.I. S.a.s.	Saint-Priest-En-Jarez	France	503,250 EUR	100.00 Iveco France	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 Magirus Fire Fighting GmbH Iveco S.p.A.	99.764 0.236	
Iveco Magirus Fire Fighting GmbH	Weisweil	Germany	30,776,857 EUR	100.00 Iveco Magirus AG Iveco S.p.A.	90.032 9.968	
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	13,120,000 EUR	100.00 Iveco S.p.A.	100.000	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000 CHF	100.00 Iveco S.p.A. Iveco France	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	The Netherlands	4,537,802 EUR	100.00 Fiat Netherlands Holding N.V.	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.	Vøyenenga	Norway	18,600,000 NOK	100.00 Iveco S.p.A.	100.000	
Iveco Otomotiv Ticaret A.S.	Sarımsaklı-Kartal/Istanbul	Turkey	5,960,707 TRY	100.00 Iveco S.p.A.	99.995	
Iveco Partecipazioni Finanziarie S.r.l.	Turin	Italy	50,000,000 EUR	100.00 Iveco S.p.A.	100.000	
Iveco Participations S.A.	Trappes	France	10,896,100 EUR	100.00 Iveco S.p.A.	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2 GBP	100.00 Iveco Holdings Limited Iveco Limited	50.000 50.000	
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	Wadeville	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 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.	Vysoké Myto	Czech Republic	1,065,559,000 CZK	97.98 Iveco France	97.978	
Karosa r.s.o.	Bratislava	Slovak Republic	200,000 SKK	97.98 Karosa A.S.	100.000	
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 España S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000 EUR	100.00 Iveco S.p.A.	100.000	
OOO Afim Leasing Vostok LLC	Moscow	Russia	50,000,000 RUR	100.00 Afim Leasing AG	100.000	
S.A. Iveco Belgium N.V.	Groot	Belgium	6,000,000 EUR	100.00 Iveco S.p.A. Iveco Nederland B.V.	99.983 0.017	
s.c. Afim Leasing Ifm s.a.	Bucharest	Romania	2,063,200,000 RON	100.00 Afim Leasing AG	100.000	
s.c. Afim Trade Company S.r.l.	Bucharest	Romania	17,500 RON	100.00 Afim Leasing AG	100.000	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000 EUR	100.00 Iveco France Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	50.000 50.000	
Seddon Atkinson Vehicles Ltd	Oldham	United Kingdom	41,700,000 GBP	100.00 Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000 EUR	100.00 Iveco España S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400 EUR	100.00 Iveco France	100.000	
Transolver Service S.A.	Madrid	Spain	610,000 EUR	100.00 Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Turin	Italy	1,989,000 EUR	100.00 Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Services GmbH	Heilbronn	Germany	750,000 EUR	100.00 Iveco Partecipazioni Finanziarie S.r.l.	100.000	
UAB Afim Baltica (Lithuania)	Vilnius	Lithuania	35,000 LTT	100.00 Afim Leasing AG	100.000	
Utilitaires & Vehicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500 EUR	100.00 Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560 EUR	51.87 Iveco España S.L.	51.867	
Z H Energy S.A.S.	Fécamp	France	2,000,000 EUR	100.00 Iveco Participations S.A.	100.000	
Components						
Magneti Marelli Holding S.p.A.	Corbetta	Italy	254,324,998 EUR	99.99 Fiat S.p.A.	99.991	100.000
Automotive Lighting Broterode GmbH	Meinigen	Germany	7,270,000 EUR	99.99 Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Verania Reale	Italy	2,000,000 EUR	99.99 Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farrington Hills	U.S.A.	25,001,000 USD	99.99 Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rijian	Russia	36,875,863 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 Espana S.A.	Linares del Valles	Spain	3,655,385 EUR	99.99 Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps France S.A.	Saint Denis	France	1,011,636 EUR	99.98 Automotive Lighting Rear Lamps Italia S.p.A.	99.992	
Automotive Lighting Rear Lamps Italia S.p.A.	Tolmezzo	Italy	10,000,000 EUR	99.99 Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	El Marques Queretaro	Mexico	50,000 MXN	99.99 Magneti Marelli Holding U.S.A. Inc.	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.	Jhlava	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. in liquidation	Corbetta	Italy	220,211 EUR	99.99 Magneti Marelli Holding S.p.A.	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000 MXN	99.99 Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V. Industrial Yorka de Tepotzotlan S.A. de C.V.	98.000 2.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Industrial Yorka de Tepozotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepozotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A. Servicios Administrativos Corp. IPASA S.A.	99.998	0.002
Kadron S/A	Maua	Brazil	2,622,229	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	100.000	
Magneti Marelli Alter Market S.p.A.	Turin	Italy	1,550,000	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli Holding S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Arhui	People's Rep. of China	5,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	170,950,534	BRL	99.63	Magneti Marelli Holding S.p.A.	99.634	99.966
Magneti Marelli Components B.V. in liquidation	Amsterdam	The 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.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli Deutschland GmbH in liquidation	Russelsheim	Germany	1,050,000	EUR	99.99	Magneti Marelli Alter Market S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli Holding S.p.A.	99.872	99.990
Magneti Marelli Electronica SL	Barcelona	Spain	18,388,581	EUR	99.99	Magneti Marelli Iberica S.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 Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.993	
						Fiat Polska Sp. z o.o.	0.007	
Magneti Marelli France S.a.s.	Nanterre	France	42,672,960	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	99.999	
						Ultima S.A.S.	0.001	
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.	Santpedor	Spain	18,099,776	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Nanterre	France	10,692,500	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.63	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A.	99.995	
						Fiat Polska Sp. z o.o.	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	17,500,000	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 Racing Ltd	Basildon	United Kingdom	10,000	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	196,634,874	BRL	99.99	Magneti Marelli Powertrain S.p.A.	66.111	
						Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepozotlan	Mexico	23,611,680	MXN	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Sistemi di Scarico S.p.A.	Corbetta	Italy	20,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	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 Bielsko Sp. z o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Magneti Marelli Holding 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.	99.993	
						Fiat Polska Sp. z o.o.	0.007	
Magneti Marelli Tubos de Escape SL	Barcelona	Spain	10,154,256	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli U.K. Limited in liquidation	Cannock	United Kingdom	12,400,000	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Orsmezgazi Bursa	Turkey	16,500,000	TRY	94.99	Magneti Marelli Holding S.p.A.	95.000	
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 Sistemas Electronicos Mexico S.A.	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	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	
Ultima S.A.S.	Nanterre	France	44,940	EUR	99.94	Magneti Marelli Holding S.p.A.	64.967	
						Fiat Partecipazioni S.p.A.	34.980	
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	145,817,739	EUR	84.79	Fiat S.p.A.	84.791	
(*) CHONGQING MERIDIAN BoAo MAGNESIUM Co. Ltd.	Nanping	People's Rep. of China	3,000,000	USD	23.78	Meridian Technologies Inc.	55.000	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Furfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Fonderie du Poitou Fonte S.A.S.	83.607	
(*) Magnesium Products of America Inc.	Eaton Rapids	U.S.A.	43,454,000	USD	43.24	Meridian Technologies Inc.	100.000	
(*) Magnesium Products of Italy S.r.l.	Verres	Italy	13,962,000	EUR	43.24	Magnesium Products of America Inc.	100.000	
(*) Meridian Deutschland GmbH	Stuttgart	Germany	25,600	EUR	43.24	Meridian Technologies Inc.	100.000	
(*) Meridian Technologies Inc.	Saint John	Canada	158,823,445	CAD	43.24	Teksid S.p.A.	31.450	
						Teksid Acquisition Inc.	19.550	
(*) Meridian Technologies Japan Inc.	Saint John	Canada	6,210	CAD	43.24	Meridian Technologies Inc.	100.000	
(*) Shanghai Meridian Magnesium Products Company Limited	Shanghai	People's Rep. of China	12,000,000	USD	25.95	Meridian Technologies Inc.	80.000	
Teksid Acquisition Inc.	Toronto	Canada	63,700,001	CAD	84.79	Teksid S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro De Mexico Arrendadora S.A. de C.V.	Frontera	Mexico	497,690,000	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	418,874,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczw	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	99.996	
						Fiat Polska Sp. z o.o.	0.004	
Production Systems								
Comau S.p.A.	Grugliasco	Italy	100,000,000	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 France S.A.	Trappes	France	11,900,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	25,680	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.688	
						Fiat Argentina S.A.	0.031	
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	29,312,653	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl	Luton	United Kingdom	86,027,139	USD	100.00	Comau S.p.A.	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
Comau India Private Limited	Pune	India	58,435,020 INR	100.00 Comau S.p.A.	99.990	
				Comau Deutschland GmbH	0.010	
Comau Pico Expatriate, Inc.	Southfield	U.S.A.	1,000 USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Pico Holdings Corporation	New York	U.S.A.	100 USD	100.00 Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000 MXN	100.00 Comau Pico Mexico S.de R.L. de C.V.	99.967	
				Comau S.p.A.	0.033	
Comau Pico Inc.	Southfield	U.S.A.	21,455 USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000 MXN	100.00 Comau S.p.A.	99.967	
				Comau Deutschland GmbH	0.033	
Comau Pico of Canada Inc.	Windsor	Canada	100 CAD	100.00 Comau Pico Inc.	100.000	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000 MXN	100.00 Comau Pico Mexico S.de R.L. de C.V.	99.967	
				Comau S.p.A.	0.033	
Comau Pico Resources, Inc.	Southfield	U.S.A.	1,000 USD	100.00 Comau Pico Holdings Corporation	100.000	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000 MXN	100.00 Comau Pico Mexico S.de R.L. de C.V.	99.967	
				Comau S.p.A.	0.033	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000 PLN	100.00 Comau S.p.A.	99.976	
				Fiat Polska Sp. z o.o.	0.024	
Comau Romania S.R.L.	Bihor	Romania	324,980 RON	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	
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	301 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 SA Body Systems (Pty) Ltd.	100.000	
Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100 ZAR	100.00 Comau SA Body Systems (Pty) Ltd.	100.000	
Comau Service Systems S.L.	Madrid	Spain	250,000 EUR	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	1,001,001 ZAR	100.00 Comau S.p.A.	100.000	
Comau Sverige AB	Trothattan	Sweden	5,000,000 SEK	100.00 Comau S.p.A.	100.000	
Miscaner S.A.	Urduiz	Spain	6,000,000 EUR	100.00 Comau S.p.A.	100.000	
Pico Europe, Inc.	Southfield	U.S.A.	1,000 USD	100.00 Comau S.p.A.	100.000	
Precision Pico Products Inc.	Plymouth	U.S.A.	1,000 USD	100.00 Comau Pico Holdings Corporation	100.000	
Services						
Business Solutions S.p.A.	Turin	Italy	4,791,396 EUR	100.00 Fiat 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	845,860 ARS	100.00 Fiat do Brasil S.A.	99.990	
				Fiat Auto Argentina S.A.	0.010	
Business Solutions Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000 PLN	100.00 Business Solutions S.p.A.	99.986	
				Fiat Polska Sp. z o.o.	0.014	
eSPIN S.p.A.	Turin	Italy	1,000,000 EUR	100.00 Business Solutions S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	4,446,257 ARS	100.00 Fiat Partecipazioni S.p.A.	90.961	
				Fiat do Brasil S.A.	9.029	
				SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
				Fiat Auto Argentina S.A.	0.001	
Fiat do Brasil S.A.	Nova Lima	Brazil	28,513,780 BRL	100.00 Fiat Partecipazioni S.p.A.	99.998	
				Fiat Gesco S.p.A.	0.002	
Fiat Finance et Services S.A.	Trappes	France	3,700,000 EUR	100.00 Business Solutions S.p.A.	99.997	
				Fiat Partecipazioni S.p.A.	0.001	
Fiat GES.CO. Belgium N.V.	Zedelgem	Belgium	62,500 EUR	100.00 Fiat U.K. Limited	99.960	
				Fiat Gesco S.p.A.	0.040	
Fiat Gesco S.p.A.	Turin	Italy	3,600,000 EUR	100.00 Business Solutions S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000 EUR	100.00 Fiat Gesco S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054 EUR	100.00 Fiat Gesco S.p.A.	100.000	
Fiat Serviz per l'Industria S.c.p.a.	Turin	Italy	1,652,669 EUR	99.38 Fiat Partecipazioni S.p.A.	51.000	
				Fiat Auto S.p.A.	25.500	
				Iveco S.p.A.	6.000	
				Fiat S.p.A.	5.000	
				CNH Italia s.p.a.	3.000	
				Teksid S.p.A.	2.000	
				Comau S.p.A.	1.500	
				C.R.F. Società Consortile per Azioni	1.500	
				Editrice La Stampa S.p.A.	1.500	
				Fiat Gesco S.p.A.	1.500	
				Magneti Marelli Holding S.p.A.	1.500	
Fiat U.K. Limited	Basildon	United Kingdom	750,000 GBP	100.00 Fiat Gesco S.p.A.	100.000	
(*) Ingest Facility Polska Sp. z o.o.	Bielsko-Biala	Poland	500,000 PLN	100.00 Ingest Facility S.p.A.	100.000	
(*) Ingest Facility S.p.A.	Turin	Italy	1,700,000 EUR	100.00 Business Solutions S.p.A.	100.000	
ITS-GSA FiatGroup France S.A.S.	Trappes	France	1,737,440 EUR	100.00 Fiat Finance et Services S.A.	100.000	
ITS-GSA Deutschland GmbH	Ulm	Germany	25,000 EUR	100.00 Fiat GmbH	100.000	
ITS-GSA U.K. Limited	Wattford	United Kingdom	50,000 GBP	100.00 Fiat U.K. Limited	100.000	
KeyV Consulting S.p.A.	Turin	Italy	167,352 EUR	60.00 Fiat Gesco S.p.A.	60.000	
Risk Management S.p.A.	Turin	Italy	120,800 EUR	100.00 Business Solutions S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000 PLN	100.00 Servizi e Attività Doganali per l'Industria S.p.A.	99.800	
				Fiat Polska Sp. z o.o.	0.200	
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000 EUR	100.00 Fiat Gesco S.p.A.	100.000	
Televis do Brasil Ltda.	Nova Lima	Brazil	1,400 BRL	100.00 Fiat do Brasil S.A.	99.929	
				Fiat Financas Brasil Ltda	0.071	
Publishing and Communications						
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000 EUR	100.00 Fiat S.p.A.	100.000	
BMI S.p.A.	Genoa	Italy	124,820 EUR	58.00 Itedi-Italiana Edizioni S.p.A.	58.004	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000 EUR	100.00 Itedi-Italiana Edizioni S.p.A.	100.000	
La Stampa Europe SAS	Paris	France	18,600,000 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	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
Holding companies and Other companies						
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000 EUR	75.13 C.R.F. Società Consortile per Azioni		51.000
				Automotive Lighting Rear Lamps Italia S.p.A.		24.500
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000 EUR	99.29 Fiat Partecipazioni S.p.A.		52.061
				Fiat Auto S.p.A.		17.478
				Iveco S.p.A.		9.987
				Magneti Marelli Holding S.p.A.		7.490
				Fiat Powertrain Technologies SpA		4.994
				CNH Italia s.p.a.		2.497
				Comau S.p.A.		2.497
				Teksid S.p.A.		2.497
				Ferrari S.p.A.		0.499
Deposito Avogadro S.r.l.	Turin	Italy	100,000 EUR	100.00 Fiat Partecipazioni S.p.A.		100.000
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000 EUR	98.93 Fiat Auto S.p.A.		51.000
				C.R.F. Società Consortile per Azioni		27.933
				CNH Italia s.p.a.		6.800
				Fiat Powertrain Technologies SpA		5.000
				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 Azion		0.250
				Fiat S.p.A.		0.187
Fahag Immobilien-und Finanz-Gesellschaft AG	Zurich	Switzerland	500,000 CHF	100.00 IHF-Internazionale Holding Fiat S.A.		100.000
Fast Buyer France S.a.r.l.	Trappes	France	7,700 EUR	100.00 Fast-Buyer S.p.A.		100.000
Fast-Buyer S.p.A.	Turin	Italy	500,000 EUR	100.00 Fiat Partecipazioni S.p.A.		100.000
Fiat Attività Immobiliari S.p.A.	Turin	Italy	65,700,000 EUR	100.00 Fiat Partecipazioni S.p.A.		100.000
Fiat Auto Holdings B.V. in liquidate	Amsterdam	The Netherlands	1,000,000 EUR	100.00 Fiat Partecipazioni S.p.A.		100.000
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701 BRL	100.00 Fiat Finance 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 Finance S.p.A.		99.993
				Fiat Finance Canada Ltd.		0.007
Fiat Finance Canada Ltd	Calgary	Canada	10,099,885 CAD	100.00 Fiat Finance 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 Finance S.p.A.		60.526
				Fiat S.p.A.		39.474
Fiat Finance S.p.A.	Turin	Italy	224,440,000 EUR	100.00 Fiat S.p.A.		100.000
Fiat Information & Communication Services società consortile per azioni	Turin	Italy	800,000 EUR	98.06 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
				Comau S.p.A.		3.000
				Ferrari S.p.A.		3.000
				Fiat Gesco S.p.A.		3.000
				Ite-di-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 Netherlands Holding N.V.	Amsterdam	The Netherlands	2,610,397,295 EUR	100.00 Fiat S.p.A.		60.563
				Fiat Partecipazioni S.p.A.		39.437
Fiat Partecipazioni S.p.A.	Turin	Italy	306,158,302 EUR	100.00 Fiat S.p.A.		100.000
Fiat Partecipazioni (U.K.) Limited	London	United Kingdom	860,000 GBP	100.00 Fiat Partecipazioni S.p.A.		100.000
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000 PLN	100.00 Fiat Partecipazioni S.p.A.		99.907
				Fiat Auto Poland S.A.		0.029
				Magneti Marelli Suspension Systems Poland Sp. z o.o.		0.012
				Automotive Lighting Polska Sp. z o.o.		0.010
				Magneti Marelli Exhaust Systems Polska Sp. z o.o.		0.010
				Magneti Marelli Poland S.A.		0.010
				Teksid Iron Poland Sp. z o.o.		0.010
				Business Solutions Polska Sp. z o.o.		0.002
				CNH Polska Sp. z o.o.		0.002
				Comau Poland Sp. z o.o.		0.002
				Iveco Poland Ltd.		0.002
				Sadi Polska-Agencja Celna Sp. z o.o.		0.002
				Sirio Polska Sp. z o.o.		0.002
Fiat Servizi S.A.	Paradiso	Switzerland	100,000 CHF	100.00 IHF-Internazionale Holding Fiat S.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	98.37 Fiat S.p.A.		51.000
				Fiat Auto S.p.A.		15.000
				CNH Global N.V.		10.000
				Iveco S.p.A.		6.000
				Comau S.p.A.		2.000
				Ferrari S.p.A.		2.000
				Fiat Gesco S.p.A.		2.000
				Fiat Powertrain Technologies SpA		2.000
				Ite-di-Italiana Edizioni S.p.A.		2.000
				Magneti Marelli Holding S.p.A.		2.000
				Maserati S.p.A.		2.000
				Teksid S.p.A.		2.000
				Fiat Finance S.p.A.		1.000
				Fiat Partecipazioni S.p.A.		1.000

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
IHF-Internazionale Holding Fiat S.A.	Lugano	Switzerland	100,000,000 CHF	100.00 Fiat S.p.A.	100.000	
Intermap (Nederland) B.V.	Amsterdam	The 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	99.23 Fiat Partecipazioni S.p.A. Fiat Auto S.p.A. Iveco S.p.A. CNH Italia s.p.a. Comau S.p.A. Fiat Gesco S.p.A. Fiat Powertrain Technologies SpA Fiat S.p.A. Magnetit Marelli Holding S.p.A. Teksid S.p.A.	51.000 16.000 12.000 3.000 3.000 3.000 3.000 3.000 3.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000 CHF	100.00 Rimaco S.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 Fiat Partecipazioni S.p.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000 CHF	100.00 IHF-Internazionale Holding Fiat S.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Turin	Italy	120,000 EUR	92.59 Fiat Partecipazioni S.p.A. Fiat Auto S.p.A. Iveco S.p.A. Fiat Powertrain Technologies SpA Magnetit Marelli Powertrain S.p.A. Comau S.p.A. Fiat S.p.A. Ferrari S.p.A. Teksid S.p.A. Irisbus Italia S.p.A. Fiat Gesco S.p.A. Sistemi Sospensioni S.p.A. C.R.F. Società Consortile per Azioni New Holland Kobelco Construction Machinery S.p.A. Fiat Servizi per l'Industria S.c.p.a. Fiat Finance S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azion Magnetit Marelli Sistemi Elettronici S.p.A. Fidis 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. Magnetit Marelli Sistemi di Scarico S.p.A. Astra Veicoli Industriali S.p.A. Fiat Information & Communication Services società consortile per azioni Servizi e Attività Doganali per l'Industria S.p.A. Magnetit Marelli Holding S.p.A. Fiat Purchasing Italia S.r.l. Fiat-Revisione Interna S.c.r.l. Iveco Mezzi Speciali S.p.A. Fiat Center Italia S.p.A. eSPIN S.p.A. Fast-Buyer S.p.A. Itedi-Italiana Edizioni S.p.A. Maserati S.p.A. New Business 16 S.p.A. a socio unico Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azion PDL Services S.r.l. Risk Management S.p.A. Sisport Fiat S.p.A. - Società sportiva dilettantistica Automotive Lighting Rear Lamps Italia S.p.A. Easy Drive S.r.l. Fiat Attività Immobiliari S.p.A.	57.177 17.415 4.583 2.356 1.159 0.751 0.751 0.729 0.664 0.622 0.593 0.551 0.535 0.535 0.503 0.449 0.449 0.438 0.325 0.237 0.233 0.233 0.233 0.233 0.218 0.103 0.103 0.091 0.063 0.061 0.045 0.040 0.040 0.039 0.039 0.039 0.039 0.039 0.022 0.022 0.022	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Turin	Italy	2,720,800 EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
Jointly-controlled entities accounted for using the proportional consolidation						
Powertrain Technologies						
Fiat-GM Powertrain Polska Sp. z o.o.	Bielsko-Biala	Poland	220,100,000 PLN	50.00 Fiat Powertrain Technologies SpA	50.000	
Jointly-controlled entities accounted for using the equity method						
Automobiles (**)						
Fiat Auto Financial Services S.p.A.	Turin	Italy	700,000,000 EUR	50.00 Fiat Auto S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000 EUR	50.00 Fidis Servizi Finanziari S.p.A.	100.000	
FC France S.A.	Trappes	France	11,360,000 EUR	50.00 Fiat Auto Financial Services S.p.A.	99.999	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	16,000,000 GBP	50.00 Fidis Servizi Finanziari S.p.A.	100.000	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	3,500,000 GBP	50.00 Fidis Servizi Finanziari S.p.A.	100.000	
Fiat Auto Financial Services Limited	Slough Berkshire	United Kingdom	10,250,000 GBP	50.00 Fiat Auto Financial Services S.p.A.	100.000	
Fiat Auto Lease N.V.	Amsterdam	The Netherlands	454,000 EUR	50.00 Fidis Servizi Finanziari S.p.A.	100.000	
Fiat Bank GmbH	Heilbronn	Germany	39,600,000 EUR	50.00 Fiat Auto Financial Services S.p.A.	100.000	
Fiat Bank Polska S.A.	Warsaw	Poland	125,000,000 PLN	50.00 Fiat Bank GmbH	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,500 EUR	50.00 Fidis Servizi Finanziari S.p.A.	99.999	
				Fidis Nederland B.V.	0.001	
Fiat Credit Hellas Commercial S.A. of Vehicles	Aryroupoli	Greece	600,000 EUR	50.00 Fiat Auto Financial Services S.p.A.	100.000	
Fiat Distribuidora Portugal S.A. (***)	Alges	Portugal	450,300 EUR	100.00 Fiat Auto Portuguesa S.A.	100.000	
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2,300,000 EUR	50.00 Fidis Servizi Finanziari S.p.A.	99.995	
				Fidis Nederland B.V.	0.005	
Fiat Finance S.A.	Luxembourg	Luxembourg	9,900,000 EUR	50.00 Fiat Auto Financial Services S.p.A.	99.995	
				Fidis Finance (Suisse) S.A.	0.005	

(**) The Fiat Group consolidated financial statements include the valuation by the equity method of the FAFS Group, which comprises FAFS S.p.A. and its subsidiaries listed below.

(***) At December 31, 2006, a subsidiary in accordance with article 2359 of the Italian Civil Code, qualified as a jointly-controlled entity for financial statements purpose, following the agreement with the partner Sofinco (Crédit Agricole Group).

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
Fiat Finansiering A/S	Glostrup	Denmark	13,000,000 DKK	50.00 Fiat Auto Financial Services S.p.A.	100.00	
Fiat Handlerservice GmbH (***)	Heilbronn	Germany	5,100,000 EUR	100.00 Fiat Automobil AG	100.00	
Fidis Credit Danmark A/S (***)	Glostrup	Denmark	500,000 DKK	100.00 Fiat Finance Netherlands B.V.	100.00	
Fidis Dealer Services B.V. (***)	Utrecht	The Netherlands	698,000 EUR	100.00 Fiat Auto Nederland B.V.	100.00	
Fidis Finance (Suisse) S.A.	Schlieren	Switzerland	24,100,000 CHF	50.00 Fiat Auto Financial Services S.p.A.	100.00	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000 PLN	50.00 Fidis Servizi Finanziari S.p.A.	100.00	
Fidis Insurance Consultants SA	Aryroupoli	Greece	60,000 EUR	49.99 Fiat Credit Hellas Commercial S.A. of Vehicles	99.975	
Fidis Leasing GmbH	Vienna	Austria	40,000 EUR	50.00 Fiat Auto Financial Services S.p.A.	100.00	
Fidis Leasing Polska Sp. z o.o.	Warsaw	Poland	12,500,000 PLN	50.00 Fiat Auto Financial Services S.p.A.	100.00	
Fidis Nederland B.V.	Utrecht	The Netherlands	3,085,800 EUR	50.00 Fiat Auto Financial Services S.p.A.	100.00	
Fidis Retail Financial Services (Ireland) PLC	Dublin	Ireland	100,007 EUR	50.00 Fiat Auto Financial Services S.p.A.	99.994	
Fidis Retail IFIC SA	Alpes	Portugal	10,000,000 EUR	50.00 Fiat Auto Financial Services S.p.A.	100.00	
Fidis Retail Portugal Aluguer de Veiculos S.A.	Alpes	Portugal	50,000 EUR	50.00 Fiat Auto Financial Services S.p.A.	100.00	
Fidis Servizi Finanziari S.p.A.	Turin	Italy	80,349,266 EUR	50.00 Fiat Auto Financial Services S.p.A.	100.00	
Fimplus Renting S.A.	Alcalá De Henares	Spain	2,225,884 EUR	50.00 Fidis Servizi Finanziari S.p.A.	100.00	
FL Auto Snc	Trappes	France	8,954,581 EUR	50.00 FC France S.A.	99.998	
FL Location SNC	Paris	France	76,225 EUR	49.99 FC France S.A.	99.980	
Leasys S.p.A. a socio unico	Fiumicino	Italy	77,499,400 EUR	50.00 Fidis Servizi Finanziari S.p.A.	100.00	
Savarent Società per Azioni a Socio Unico	Turin	Italy	21,000,000 EUR	50.00 Fidis Servizi Finanziari S.p.A.	100.00	
TarCredit E.F.C. S.A.	Alcalá De Henares	Spain	16,671,569 EUR	50.00 Fiat Auto Financial Services S.p.A.	100.00	
Tarfin S.A.	Schlieren	Switzerland	500,000 CHF	50.00 Fidis Servizi Finanziari S.p.A.	100.00	
Targasy Stock SA (***)	Alcalá De Henares	Spain	5,108,799 EUR	100.00 Fiat Auto España S.A.	100.00	
Sofice-Société de Financement des Concessionnaires s.a.s. (***)	Trappes	France	3,353,600 EUR	100.00 Fiat France	100.00	
G.E.I.E. Gisavel	Paris	France	15,200 EUR	50.00 Fiat France	50.00	
G.E.I.E.-Sevelind	Paris	France	15,200 EUR	50.00 Fiat France	50.00	
Nan Jing Fiat Auto Co. Ltd.	Nanjing	People's Rep. of China	1,409,469,782 CNY	50.00 Fiat Auto S.p.A.	50.00	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000 EUR	50.00 Fiat Auto S.p.A.	50.00	
Société Européenne de Véhicules Légers du Nord-Seveinord Société Anonyme	Paris	France	80,325,000 EUR	50.00 Fiat France	50.00	
Tofas-Türk Otomobil Fabrikası Tofas A.S.	Levent	Turkey	500,000,000 TRY	37.86 Fiat Auto S.p.A.	37.856	
Agricultural and Construction Equipment						
Case Mexico S.A. de C.V.	San Pedro	Mexico	810,000 MXN	44.86 CNH de Mexico SA de CV	100.00	
Case Special Excavators N.V.	Zedelgem	Belgium	1,100,000 EUR	44.86 CNH Global N.V.	50.00	
CNH Comercial SA de C.V.	San Pedro	Mexico	160,050,000 MXN	44.86 CNH de Mexico SA de CV	100.00	
CNH de Mexico SA de CV	San Pedro	Mexico	165,276,000 MXN	44.86 CNH Global N.V.	50.00	
CNH Industrial S.A. de C.V.	San Pedro	Mexico	200,050,000 MXN	44.86 CNH de Mexico SA de CV	100.00	
CNH Servicios Comerciales S.A. de C.V.	San Pedro	Mexico	50,000,000 MXN	43.96 CNH Global N.V.	49.00	
CNH Servicios Corporativos S.A. de C.V.	San Pedro	Mexico	375,000 MXN	44.86 CNH de Mexico SA de CV	99.999	
Consolidated Diesel Company	Whitakers	U.S.A.	100 USD	44.86 CNH Engine Corporation	50.00	
LBX Company LLC	Wilmington	U.S.A.	0 USD	44.86 Case LBX Holdings Inc.	50.00	
L&T-Case Equipment Private Limited	Mumbai	India	240,100,000 INR	44.86 CNH America LLC	50.00	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000 USD	35.88 CNH America LLC	40.00	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000 JPY	44.86 CNH Global N.V.	50.00	
New Holland Trakmak Traktor A.S.	Izmir	Turkey	800,000 TRY	33.64 CNH Global N.V.	37.500	
Türk Traktor Ve Ziraat Makineleeri A.S.	Ankara	Turkey	47,000,000 TRY	33.64 CNH Global N.V.	37.500	
Trucks and Commercial Vehicles						
Iveco Fiat - Oto Melara Società consortile r.l.	Rome	Italy	40,000 EUR	50.00 Iveco S.p.A.	50.00	
Naveco Ltd.	Nanjing	People's Rep. of China	2,527,000,000 CNY	50.00 Iveco S.p.A.	50.00	
SAIC IVECO Commercial Vehicle Investment Company Limited	Shanghai	People's Rep. of China	50,000,000 USD	50.00 Iveco S.p.A.	50.00	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500 EUR	50.00 Iveco S.p.A.	50.00	
Components						
Gestamp Marelli Autochassis S.L.	Barcelona	Spain	2,000,000 EUR	50.00 Sistemi Sospensioni S.p.A.	50.00	
Metallurgical Products						
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep. of China	346,637,050 CNY	42.40 Teksid S.p.A.	50.00	
Subsidiaries accounted for using the equity method						
Automobiles						
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000 USD	100.00 Fiat Auto S.p.A.	100.00	
Alfa Romeo Motors Ltd.	Bangkok	Thailand	160,000,000 THB	100.00 Fiat Auto S.p.A.	99.999	
Auto Italia Erfurt GmbH in liquidation	Erfurt	Germany	2,985,000 EUR	100.00 Fiat Automobil Vertriebs GmbH	100.00	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000 EUR	100.00 Fiat Auto (Suisse) S.A.	100.00	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000 EGP	80.40 Fiat Auto S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000 EGP	79.60 Fiat Auto Egypt Industrial Company SAE	99.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	24,535,149 ARS	100.00 Fiat Auto Argentina S.A.	100.00	
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	276,000,000 THB	100.00 Fiat Auto S.p.A.	100.000	
Italcarr SA	Casablanca	Morocco	28,000,000 MAD	99.94 Fiat Auto Maroc S.A.	99.986	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000 PLN	100.00 Fiat Auto Poland S.A.	99.963	
Zao Zernoproductpromsnabmechanizatsija	Nizhny Novgorod	Russia	24,660,000 RUR	73.14 Fiat Auto S.p.A.	0.037	73.127
Ferrari						
Ferrari Financial Services, Inc.	Wilmington	U.S.A.	1,000 USD	76.50 Ferrari Financial Services S.p.A.	100.000	
Agricultural and Construction Equipment						
Farmers New Holland Inc.	Wilmington	U.S.A.	800,000 USD	89.71 CNH America LLC	100.000	
Medicine Hat New Holland Ltd.	Ottawa	Canada	926,783 CAD	71.59 CNH Canada Ltd.	79.800	
Memphis New Holland Inc.	Wilmington	U.S.A.	467,600 USD	86.79 CNH America LLC	96.729	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000 USD	69.97 CNH America LLC	78.000	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	534,000 USD	61.79 CNH America LLC	68.876	
Southside New Holland Tractor & Equipment, Inc.	Wilmington	U.S.A.	325,000 USD	89.71 CNH America LLC	100.000	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000 USD	70.85 CNH America LLC	78.971	
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000 USD	89.71 CNH America LLC	100.000	
Trucks and Commercial Vehicles						
Altra S.p.A.	Genoa	Italy	516,400 EUR	100.00 Iveco S.p.A.	100.000	
F. Pegaso S.A.	Madrid	Spain	993,045 EUR	100.00 Iveco España S.L.	100.000	
Financière Pegaso France S.A.	Trappes	France	260,832 EUR	100.00 Iveco España S.L.	100.000	

(***) At December 31, 2006, a subsidiary in accordance with article 2359 of the Italian Civil Code, qualified as a jointly-controlled entity for financial statements purpose, following the agreement with the partner Sofinco (Crédit Agricole Group).

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
Iveco Colombia Ltda.	Santa Fe de Bogota	Colombia	7,596,249,000 COP	100.00 Iveco Venezuela C.A. Iveco Latin America Ltda	99.990 0.010	
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 S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000 CDF	100.00 Iveco S.p.A. Astra Veicoli Industriali S.p.A.	99.992 0.008	
Components						
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	62,838,291 BRL	68.26 Magneti Marelli do Brasil Industria e Comercio SA		68.350
Seima Italiana Auto Svet	Krasnig Okljabr Kirz	Russia	14,574,000 RUR	99.99 Automotive Lighting o.o.o. Automotive Lighting Reutlingen GmbH		99.167 0.833
Production Systems						
Comau AGS S.p.A.	Grugliasco	Italy	1,000,000 EUR	100.00 Comau S.p.A.		100.000
Comau Service U.K. Ltd	Watford	United Kingdom	260,000 GBP	100.00 Comau 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
Holding companies and Other companies						
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Turin	Italy	520,000 EUR	89.92 Fiat Auto S.p.A. Iveco S.p.A. C.R.F. Società Consortile per Azioni		49.000 30.000 11.000
European Engine Alliance EEIG	Basildon	United Kingdom	0 GBP	63.24 CNH U.K. Limited Iveco S.p.A.		33.333 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
Isvor Dealemet S.r.l. in liquidation	Turin	Italy	10,000 EUR	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Fiat Auto S.p.A.		80.000 20.000
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
Subsidiaries valued at cost						
Automotiles						
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico Alcalá De Henares		Spain	30,051 EUR	95.00 Fiat Auto España S.A.		95.000
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000 EUR	80.00 Fiat Auto Portuguesa S.A.		80.000
New Business 21 S.p.A.	Turin	Italy	120,000 EUR	100.00 Fiat Auto S.p.A.		100.000
New Business 22 S.p.A.	Turin	Italy	120,000 EUR	100.00 Fiat Auto S.p.A.		100.000
New Business 23 S.p.A.	Turin	Italy	120,000 EUR	100.00 Fiat Auto S.p.A.		100.000
New Business 24 S.p.A.	Turin	Italy	120,000 EUR	100.00 Fiat Auto S.p.A.		100.000
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	25,000 EUR	100.00 Fiat Auto S.p.A. Fidis S.p.A.		99.000 1.000
(*) Powertrain India Pvt. Ltd. in liquidation	Mumbai	India	101,000 INR	100.00 Fiat India Automobiles Private Limited		100.000
Ferrari						
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000 EUR	81.47 Ferrari S.p.A.		95.848
Agricultural and Construction Equipment						
Case Credit Wholesale Pty. Limited	St. Marys	Australia	347,750 AUD	89.71 CNH Australia Pty Limited		100.000
Fermec North America Inc.	Wilmington	U.S.A.	5 USD	89.71 CNH America LLC		100.000
International Harvester Company	Wilmington	U.S.A.	1,000 USD	89.71 CNH America LLC		100.000
J.J. Case Company Limited	Basildon	United Kingdom	2 GBP	89.71 Case United Kingdom Limited		100.000
Trucks and Commercial Vehicles						
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	51,646 EUR	59.92 Iveco S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni		50.000 10.000
Iran Magirus-Deutz	Teheran	Iran	180,000,000 IRR	100.00 Iveco Magirus AG		100.000
Irisbus North America Limited Liability Company	Las Vegas	U.S.A.	20,000 USD	100.00 Iveco France		100.000
Iveco Motors of China Limited	Shanghai	People's Rep. of China	300,000 USD	100.00 Iveco S.p.A.		100.000
M.R. Fire Fighting International S.A.	Brasov	Romania	35,000,000 RON	75.88 Iveco Magirus Brandschutztechnik GmbH Brandschutztechnik Gorlitz GmbH Iveco Magirus Fire Fighting 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
Electromechanical Racing S.r.l.	Corbetta	Italy	100,000 EUR	99.99 Magneti Marelli Holding S.p.A.		100.000
Magneti Marelli Automotive Components (India) Limited	Pune	India	125,000,000 INR	99.99 Magneti Marelli Components B.V. in liquidazione		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 France S.a.s.		99.990 0.010
Yorka Northamerica Corp.	Southfield	U.S.A.	10,000 USD	99.99 Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.		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
Consorzio Fermag in liquidation	Milan	Italy	144,608 EUR	68.00 Comau S.p.A.		68.000
Synesis	Modugno	Italy	20,000 EUR	75.00 Comau S.p.A.		75.000
Services						
(*) CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali	Turin	Italy	16,108 EUR	60.00 Ingest Facility S.p.A.		60.001
Fiat Common Investment Fund Limited	London	United Kingdom	2 GBP	100.00 Fiat U.K. Limited		100.000
P.D.L. Services S.r.l.	Turin	Italy	105,000 EUR	100.00 Business Solutions S.p.A.		100.000
Holding companies and Other companies						
Fast Buyer Middle East A.S.	Bursa	Turkey	350,230 TRY	98.80 Fast-Buyer S.p.A.		98.800
Fiat Gra. De EEIG	Watford	United Kingdom	0 GBP	97.47 Fiat Auto S.p.A. CNH Global N.V. Fiat Netherlands Holding N.V. Business Solutions S.p.A. Fiat S.p.A. Comau S.p.A. C.R.F. Società Consortile per Azioni Magneti Marelli Holding S.p.A. Teksid S.p.A.		46.000 23.000 23.000 2.000 2.000 1.000 1.000 1.000 1.000
Fiat Oriente S.A.E. in liquidation	Cairo	Egypt	50,000 EGP	100.00 Fiat Partecipazioni S.p.A.		100.000
Fides Corretagens de Seguros Ltda	Nova Lima	Brazil	365,625 BRL	100.00 Rimaco S.A.		99.998
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000 INR	99.23 Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni		100.000

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
MC2 - Media Communications S.p.A.	Turin	Italy	219,756 EUR	51.00 Fiat Partecipazioni S.p.A.	51.000	
New Business 18 S.r.l.	Turin	Italy	50,000 EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
New Business 19 S.r.l.	Turin	Italy	50,000 EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
New Business 20 S.r.l.	Turin	Italy	50,000 EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare nove S.r.l.	Turin	Italy	50,000 EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Otto 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 4 S.r.l.	Turin	Italy	50,000 EUR	100.00 Fiat Partecipazioni S.p.A.	100.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile pi Turin	Turin	Italy	120,000 EUR	98.88 Fiat Partecipazioni S.p.A. Fiat S.p.A. Editrice La Stampa S.p.A. Fiat Auto S.p.A. CNH Italia s.p.a. Comau S.p.A. Fiat Finance S.p.A. Fiat Gesco S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azion Iveco S.p.A. Magneti Marelli Holding S.p.A. Sisport Fiat S.p.A. - Società sportiva dilettantistica	78.262 18.003 0.439 0.439 0.220 0.220 0.220 0.220 0.220 0.220 0.220 0.220	
Associated companies accounted for using the equity method						
Automobiles						
Fiat Auto Kreditbank GmbH	Vienna	Austria	5,000,000 EUR	25.00 Fidis S.p.A.	25.000	
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000 EUR	25.00 Fidis S.p.A.	25.000	
Targays S.r.l.	Turin	Italy	4,322,040 EUR	40.00 Fidis S.p.A.	40.000	
Ferrari						
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	3,000,000 USD	34.00 Ferrari S.p.A.	40.000	
Sanator Software GmbH	Monaco	Germany	25,565 EUR	37.49 Ferrari Financial Services AG	49.000	
Agricultural and Construction Equipment						
Al-Ghazal Tractors Ltd	Karachi	Pakistan	214,682,226 PKR	38.73 CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297 EUR	44.77 CNH Global N.V.	49.900	
Employers Health Initiatives LLC	Wilmington	U.S.A.	0 USD	44.86 CNH America LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000 JPY	17.94 CNH Global N.V.	20.000	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,001 GBP	43.96 CNH Global N.V.	49.000	
Rathell Farm Equipment Company Inc.	Wilmington	U.S.A.	640,000 USD	38.81 CNH America LLC	43.266	
Powertrain Technologies						
Powertrain Industrial Services S.C.R.L. in liquidation	Turin	Italy	100,000 EUR	50.00 Fiat Powertrain Technologies SpA FMA - Fabbrica Motori Automobilistici S.r.l. Fiat Automoveis S.A. - FIASA Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	25.000 22.000 2.000 1.000	
Trucks and Commercial Vehicles						
GEIE V.IV.RE	Boulogne	France	0 EUR	50.00 Iveco S.p.A.	50.000	
Iveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep. of China	200,010,000 CNY	33.33 Iveco S.p.A.	33.330	
Iveco Finance Holdings Limited	Basingstoke	United Kingdom	1,000 EUR	49.00 Iveco Partecipazioni Finanziarie S.r.l.	49.000	
Iveco Uralaz Ltd.	Mass	Russia	65,255,056 RUR	33.33 Iveco S.p.A.	33.330	
Iveco-Motor Sich, Inc.	Zaporozhye	Ukraine	26,568,000 UAH	38.62 Iveco S.p.A.	38.618	
Otoyol Sanayi A.S.	Samandira-Kartal/Istanbul	Turkey	52,674,386 TRY	27.00 Iveco S.p.A.	27.000	
V.IV.RE Gruppo Europeo di Interesse Economico	Turin	Italy	0 EUR	50.00 Iveco S.p.A.	50.000	
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	
Services						
Servizio Titoli S.p.A.	Turin	Italy	126,000 EUR	27.24 Business Solutions S.p.A.	27.238	
Publishing and Communications						
Edititalia S.r.l.	Caserta	Italy	2,833,050 EUR	45.00 Editrice La Stampa S.p.A.	45.000	
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	
To-ds S.r.l. a socio unico	Turin	Italy	510,000 EUR	45.00 Editrice La Stampa S.p.A.	45.000	
Holding companies and Other companies						
Livingstone Motor Assemblers Ltd.	Livingstone	Zambia	20,000,000 ZMK	20.00 Fiat Partecipazioni S.p.A.	20.000	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050 EUR	9.90 Fiat Partecipazioni S.p.A.	9.895	10.291
WorkNet S.p.A.	Milan	Italy	1,000,000 EUR	35.00 Fiat Partecipazioni S.p.A.	35.000	
Associated companies valued at cost						
Automobiles						
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Arese	Italy	1,020,000 EUR	30.00 Fiat Auto S.p.A.	30.000	
Fidis Rent GmbH	Frankfurt	Germany	50,000 EUR	49.00 Fiat Teamsys GmbH	49.000	
Ferrari						
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000 EUR	28.33 Ferrari S.p.A.	33.333	
Agricultural and Construction Equipment						
Nido Industrie Vallesina	Ancona	Italy	53,903 EUR	34.74 CNH Italia s.p.a.	38.728	
Trucks and Commercial Vehicles						
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000 XAF	39.80 Iveco France	39.800	
Trucks & Bus Company	Tajoura	Libia	96,000,000 LYD	25.00 Iveco España S.L.	25.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893 YUM	33.68 Iveco S.p.A.	33.677	
Components						
Flexider S.p.A.	Turin	Italy	4,131,655 EUR	25.00 Magneti Marelli Holding S.p.A.	25.000	
Mars Seal Private Limited	Mumbai	India	400,000 INR	24.00 Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanayi Ve Ticaret A.S.	Istanbul	Turkey	2,400,000 TRY	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 Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	15,494 EUR	33.33 Comau S.p.A.	33.333	
Services						
FMA-Consultoria e Negocios Ltda	San Paolo	Brazil	1 BRL	50.00 Fiat do Brasil S.A.	50.000	
(*) S.I.MA.GEST2 Società Consortile a Responsabilità Limitata	Zola Predosa	Italy	50,000 EUR	30.00 Ingest Facility S.p.A.	30.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock Currency	% of Group consolidation Interest held by	% interest held	% of voting rights
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
Publishing and Communications						
Le Monde Europe S.A.S.	Paris	France	5,024,274 EUR	48.44 La Stampa Europe SAS		48.443
Le Monde Presse S.A.S.	Paris	France	7,327,930 EUR	27.28 La Stampa Europe SAS		27.277
Holding companies and Other companies						
Agenzia Internazionalizzazione Imprese Torino S.r.l. in liquidation	Turin	Italy	102,000 EUR	35.00 Fiat Partecipazioni S.p.A.		35.000
Ascal Servizi S.r.l. in liquidation	Rome	Italy	73,337 EUR	25.77 Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azion		25.970
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	13,137,000 EUR	29.46 Fiat Netherlands Holding N.V.		29.459
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650 EUR	27.40 Fiat Partecipazioni S.p.A.		23.100
				New Business 16 S.p.A. a socio unico		4.300
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Turin	Italy	241,961 EUR	30.92 CNH Italia s.p.a.		10.672
				Fiat Auto S.p.A.		10.672
				Iveco S.p.A.		10.672
Consorzio Prode	Naples	Italy	51,644 EUR	34.63 Elasis-Società Consortile per Azioni		35.000
Consorzio Scire	Pomigliano d'Arco	Italy	51,644 EUR	49.47 Elasis-Società Consortile per Azioni		50.000
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II	Naples	Italy	127,500 EUR	19.79 Elasis-Società Consortile per Azioni		20.000
Interfinanziaria S.A.	Paradiso	Switzerland	1,000,000 CHF	33.33 IHF-Internazionale Holding Fiat S.A.		33.330
MB Venture Capital Fund I Participating Company F N.V.	Amsterdam	The Netherlands	50,000 EUR	45.00 Fiat Partecipazioni S.p.A.		45.000
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200 EUR	24.92 Ferrari S.p.A.		16.364
				CNH Italia s.p.a.		12.273
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000 EUR	24.82 C.R.F. Società Consortile per Azioni		25.000
Zetesis S.p.A. in liquidation	Milan	Italy	283,150 EUR	40.00 Fiat Partecipazioni S.p.A.		40.000
Other companies valued at cost						
Agricultural and Construction Equipment						
Poligris S.A.	Pikielski	Lithuania	1,133,400 LTT	9.92 CNH Polska Sp. z o.o.		11.054
Trucks and Commercial Vehicles						
Consorzio Spike	Genoa	Italy	90,380 EUR	15.00 Iveco S.p.A.		15.000
Holding companies and Other companies						
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000 EUR	15.83 Elasis-Società Consortile per Azioni		16.000
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	83,445 EUR	10.44 Elasis-Società Consortile per Azioni		5.319
				C.R.F. Società Consortile per Azioni		5.213
Consorzio Lingotto	Turin	Italy	9,612 EUR	16.90 Fiat Attività Immobiliari S.p.A.		11.500
				Fiat S.p.A.		5.400
Consorzio Technapoli	Naples	Italy	1,626,855 EUR	10.99 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. in liquidation	Luxembourg	Luxembourg	44,887,500 USD	14.29 Fiat Netherlands Holding N.V.		14.286
Expo 2000 - S.p.A.	Turin	Italy	2,205,930 EUR	18.95 Fiat Partecipazioni S.p.A.		18.949
Fin.Priv. S.r.l.	Milan	Italy	20,000 EUR	14.29 Fiat S.p.A.		14.285
Sorore Ricerche per Santa Maria della Scala	Siena	Italy	9,296 EUR	16.66 Fiat Partecipazioni S.p.A.		16.663
Torino Zerocinq Investment S.p.A.	Milan	Italy	2,755,000 EUR	17.62 Fiat Partecipazioni S.p.A.		17.620
Torino Zerocinq Trading S.p.A.	Milan	Italy	2,425,000 EUR	15.04 Fiat Partecipazioni S.p.A.		15.040