

***IFI***  
*Istituto Finanziario Industriale*

Quarterly report  
at March 31, 2007

## QUARTERLY REPORT AT MARCH 31, 2007

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This is an English translation of the Italian original document “Relazione trimestrale al 31 Marzo 2007” approved by the IFI board of directors on May 15, 2007 and authorized for publication on the same date which has been prepared solely for the convenience of the reader. The version in Italian takes precedence. For complete information about IFI S.p.A. and the Group, reference should be made to the full original report in Italian also available on the corporate website: <http://www.gruppoifi.com>.

**IFI**

*Istituto Finanziario Industriale*

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

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**Board of Directors**

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

<sup>(a)</sup> Independent director.

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**Board of Statutory Auditors**

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

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**Independent Auditors**

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Deloitte & Touche S.p.A.

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**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 May 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.

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## 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.a.p.az.** 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 66.7% of ordinary capital stock.

**IFIL Investments S.p.A.** (abbreviated in **IFIL S.p.A.**) is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment); Giovanni Agnelli e C. S.a.p.az. holds another 3% of ordinary capital stock of this company. IFIL S.p.A. 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, the Fiat Group operates in the sectors of 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 the 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 has focused 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.

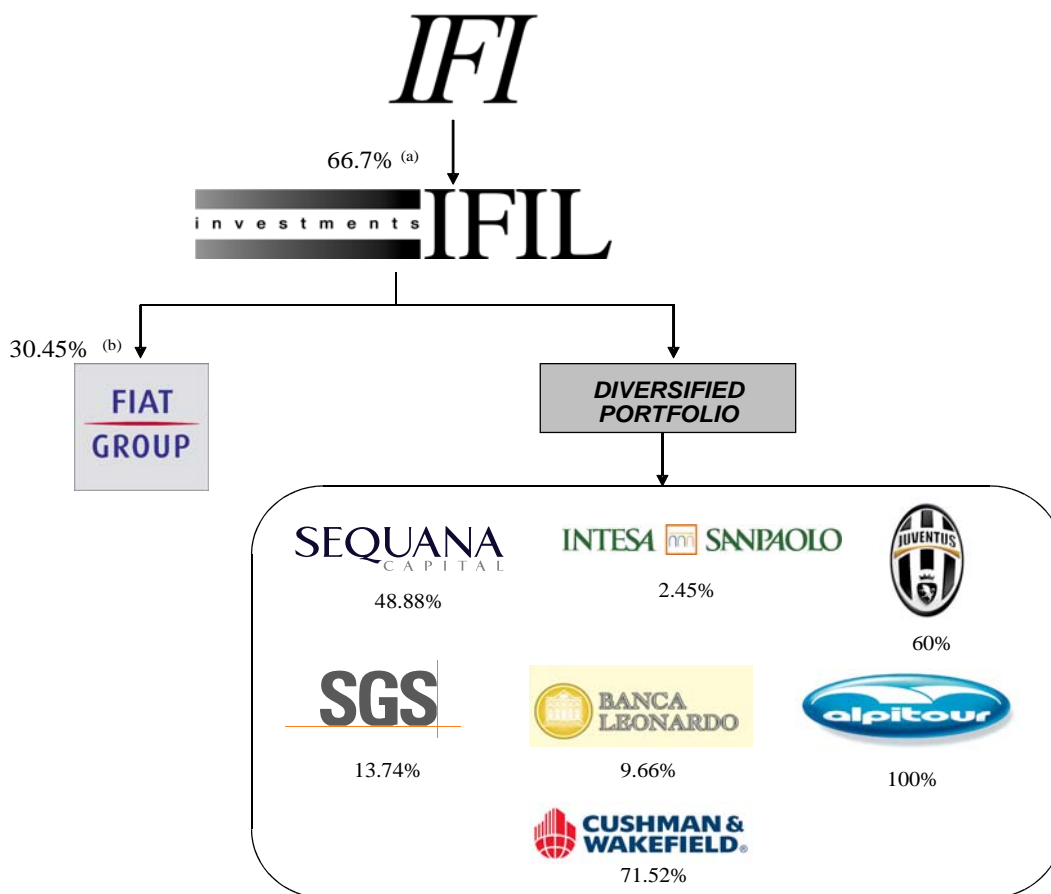
**Gruppo Banca Leonardo S.p.A.** (9.66% holding by Ifil Investissements S.A.) is an independent investment bank offering corporate finance advisory and asset management services, in addition to private equity services, under a joint venture with a leading European group.

**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 the 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.

**Cushman & Wakefield (C&W)** (71.52% holding by Ifil Investissements S.A.) is the largest privately held company for real estate services. The C&W Group has its headquarters in New York, where it was founded in 1917, and now has 201 offices and 12,000 employees in 55 countries.

The following chart is updated to May 10, 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.a.p.az. also holds 3% of IFIL ordinary capital stock.

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

## MAJOR EVENTS

### **Increase in the investment in IFIL**

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.

At March 31, 2007, IFI 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.

During the period April 1 to May 10, 2007, IFI purchased on the market another 4,871,000 IFIL ordinary shares (0.47% of the class of stock) for an investment of € 36.9 million. IFI currently holds 692,776,000 IFIL ordinary shares, equal to 66.7% of the class of stock and 1,866,420 IFIL savings shares equal to 4.99% of the class of stock. The investment represents 64.56% of capital stock.

### **Consob sanctionary measure**

On February 13, 2007, the meeting of the board of directors of the company, presided over by 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..

On March 28, 2007, a hearing was held before the 1<sup>st</sup> Section of the Turin Court of Appeals to discuss the suspension of the administrative sanctions imposed by Consob on the above parties.

As a result of the outcome of the hearing, by decree of April 4, 2007, the Court of Appeals suspended the sanctionary measure against the individuals involved with regard to the part referring to the additional administrative sanctions.

### **New corporate posts**

The IFI S.p.A. board of directors, which met on April 17, 2007, took note of the aforementioned decision handed down by the Turin Court of Appeals, and, based on the motion put forward by Gianluigi Gabetti, appointed John Elkann as Chairman of IFI and delegated strategic coordination to Gianluigi Gabetti. The board also confirmed its full support to the chief executive officer and general manager Virgilio Marrone and to the director Franzo Grande Stevens who have resumed their respective posts.

## 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.

## BASIS OF PREPARATION

The consolidated quarterly report of the IFI Group at March 31, 2007 has been prepared in accordance with Article 82 of the "Regulations for the Implementation of Legislative Decree 58 of February 24, 1998 on the Activities of Issuers of Securities", as amended by Consob Resolution 14990 of April 14, 2005, in compliance with Annex 3D of the Regulation.

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 for the period (condensed consolidated balance sheet and condensed consolidated income statement) prepared by accounting for the investments in the IFIL Group by the equity method in the separate financial statements or in the separate accounting data of IFI S.p.A.. This method allows a condensed representation of the consolidated results of the IFI Group. Such condensed 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. Moreover, the quarterly consolidated data is presented in the condensed format in the quarterly reports at March 31 and September 30 of each year.

Finally, it should be noted that certain valuation procedures, i.e. particularly complex procedures such as the determination of possible impairment losses on non-current assets, are generally completed only at the time of preparation of the annual consolidated financial statements, when all the necessary information is available, except those cases in which impairment indicators require a prompt assessment of possible impairments.

The consolidated quarterly report of the IFI Group at March 31, 2007 is unaudited.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### IFI GROUP – Condensed interim consolidated income statement

The **consolidated profit attributable to the equity holders of the company** in the first quarter of 2007 amounts to €54.2 million (€41.5 million in the first quarter of 2006) with an increase of €12.7 million.

Year	2006	€ in millions	Note	Quarter I		Change
				2007	2006	
222.0		Share of the profit of the IFIL Group	1	<b>56.7</b>	45.2	11.5
7.3		Gain on the sale of the investment in Exor Group		<b>0.0</b>	0.0	0.0
0.1		Dividends from other investments		<b>0.0</b>	0.0	0.0
(5.4)		Net financial expenses		<b>(1.4)</b>	(2.5)	1.1
(4.9)		Net general expenses		<b>(1.1)</b>	(1.2)	0.1
2.3		Income taxes		<b>0.0</b>	0.0	0.0
221.4		<b>Profit attributable to the equity holders of the company</b>		<b>54.2</b>	41.5	12.7

## IFI GROUP – Condensed interim consolidated balance sheet

€ in millions	Note	3/31/2007	12/31/2006	Change
<b>Non-current assets</b>				
Investment in the IFIL Group	2	4,063.3	3,880.8	182.5
Other financial assets		0.7	0.8	(0.1)
<b>Total Non-current assets</b>		<b>4,064.0</b>	<b>3,881.6</b>	<b>182.4</b>
<b>Current assets</b>				
Other financial assets	4	3.5	3.5	0.0
Cash and cash equivalents	4	0.3	59.7	(59.4)
Trade receivables and other receivables		19.0	19.4	(0.4)
<b>Total Current assets</b>		<b>22.8</b>	<b>82.6</b>	<b>(59.8)</b>
<b>Total Assets</b>		<b>4,086.8</b>	<b>3,964.2</b>	<b>122.6</b>
<b>Equity attributable to the equity holders of the company</b>				
Capital and reserves		3,965.5	3,870.3	95.2
Treasury stock		(70.5)	(70.5)	0.0
<b>Total Equity attributable to the equity holders of the company</b>	3	<b>3,895.0</b>	<b>3,799.8</b>	<b>95.2</b>
<b>Non-current liabilities</b>				
Provisions for employee benefits		1.9	1.8	0.1
Debt	4	125.0	125.0	0.0
Other liabilities		0.1	0.1	0.0
<b>Total Non-current liabilities</b>		<b>127.0</b>	<b>126.9</b>	<b>0.1</b>
<b>Current liabilities</b>				
Debt	4	63.7	36.2	27.5
Trade payables and other liabilities		1.1	1.3	(0.2)
<b>Total Current liabilities</b>		<b>64.8</b>	<b>37.5</b>	<b>27.3</b>
<b>Total Equity and liabilities</b>		<b>4,086.8</b>	<b>3,964.2</b>	<b>122.6</b>



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Share of the profit of the IFIL Group

The share of the profit of the IFIL Group amounts to € 56.7 million (€ 45.2 million in the first quarter of 2006) with an increase of € 11.5 million.

Details are as follows:

Year	€ in millions	Profit (loss)		IFI's share		
		Q1 2007	Q1 2006	Q1 2007	Q1 2006	Change
2006	IFIL Group	<b>87.4</b>	67.3	<b>56.7</b>	42.2	14.5
	Consolidation adjustments		-	<b>0.0</b>	3.0	(3.0)
222.0	<b>Total IFIL Group</b>			<b>56.7</b>	45.2	11.5

Comments on the operating performance of the IFIL Group are described later in the report.

### 2. Investment in the IFIL Group

The carrying amount of the investment in the IFIL Group, accounted for by the equity method, is € 4,063.3 million at March 31, 2007. The increase of € 182.5 million compared to December 31, 2006 (€ 3,880.8 million) is due to the purchase of IFIL shares during the first quarter of 2007 (+€ 84.6 million) and IFI's share (+€ 97.9 million) of the changes in equity of the IFIL Group.

Details are as follows:

€ in millions	Carrying amount				Change
	3/31/2007		12/31/2006		
	Per share (€)	Total	Per share (€)	Total	
IFIL Group					
- ordinary shares	<b>5.89</b>	<b>4,052.4</b> (a)	5.73	3,870.1	182.3
- savings shares	<b>5.89</b>	<b>10.9</b>	5.73	10.7	0.2
<b>Total</b>		<b>4,063.3</b>		3,880.8	182.5

(a) The amount includes goodwill recognized on the shares purchased during the first quarter, equal to € 10.3 million.

Based on market prices at March 30, 2007 (€ 7.294 per ordinary share and € 6.853 per savings share), the market value of the investment is € 5,030.4 million.

### 3. Equity attributable to the equity holders of the company

Details are as follows:

€ in millions	
<b>Equity attributable to the equity holders of the company at December 31, 2006</b>	<b>3,799.8</b>
Share of the translation differences (-€ 5.5 million) and other net changes (+€ 46.8 million) shown in the equity of the IFIL Group	41.3
Other changes	(0.3)
Profit attributable to the equity holders of the company	54.2
<b>Net change during the period</b>	<b>95.2</b>
<b>Equity attributable to the equity holders of the company at March 31, 2007</b>	<b>3,895.0</b>

### 4. Net financial position of IFI S.p.A.

The net financial position of IFI S.p.A. at March 31, 2007 is a borrowings position of € 184.6 million compared to a borrowings position of € 97.5 million at December 31, 2006. Details are as follows:

€ in millions	3/31/2007			12/31/2006		
	Current	Non-current	Total	Current	Non-current	Total
Cash and cash equivalents	0.3		0.3	59.7		59.7
Other financial assets	3.5	0.3	3.8	3.5	0.4	3.9
Bank debt	(63.7)	(125.0)	(188.7)	(36.1)	(125.0)	(161.1)
<b>Net financial position of IFI S.p.A.</b>	<b>(59.9)</b>	<b>(124.7)</b>	<b>(184.6)</b>	27.1	(124.6)	(97.5)

The negative change of € 87.1 million compared to the balance at the end of 2006 is due to the following flows:

€ in millions	
<b>Net financial position at December 31, 2006</b>	<b>(97.5)</b>
Purchase of 12,075,000 IFIL ordinary shares (1.22% of the class of stock)	(84.6)
Net financial expenses	(1.4)
Net general expenses	(1.1)
<b>Net change during the period</b>	<b>(87.1)</b>
<b>Net financial position at March 31, 2007</b>	<b>(184.6)</b>

Taking into account the additional IFIL share purchases during the period April 1 to May 10, 2007, the borrowings position is € 221.5 million.

Comments on the operating performance of the subsidiary IFIL Investments S.p.A. are provided below.



(66.7% of ordinary capital stock)

The consolidated data of the IFIL Group at March 31, 2007, commented below, is taken from the condensed interim 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 and Juventus F.C.) by the equity method.

€ in millions	Quarter I 2007	Quarter I 2006	Change
Profit attributable to the equity holders of the company	<b>87.4</b>	67.3	20.1
	<b>3/31/2007</b>	12/31/2006	Change
Equity attributable to the equity holders of the company	<b>6,373.1</b>	6,222.3	150.8
Consolidated net financial position - Holdings System	<b>(130.8)</b>	386.2	(517.0)

The **profit attributable to the equity holders of the company IFIL** in the first quarter of 2007 amounts to € 87.4 million (€ 67.3 million) and shows an increase of € 20.1 million compared to the first quarter of 2006.

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

#### IFIL GROUP – Condensed interim consolidated income statement

Year	€ in millions	Note	Quarter I		Change
			2007	2006	
2006					
293.2	Share of the profit (loss) of companies accounted for by the equity method	1	<b>92.5</b>	69.7	22.8
	Net financial income:				
53.0	- Dividends from investments		<b>0.0</b>	0.0	0.0
(0.7)	- Gains (losses) on the sale of securities		<b>0.0</b>	0.0	0.0
19.2	- Other financial income		<b>1.1</b>	2.3	(1.2)
71.5	Net financial income		<b>1.1</b>	2.3	(1.2)
(23.2)	Net general expenses		<b>(4.2)</b>	(4.6)	0.4
0.2	Other non-current income (expenses)		<b>0.0</b>	0.0	0.0
341.7	<b>Profit before income taxes</b>		<b>89.4</b>	67.4	22.0
(0.2)	Income taxes		<b>(2.0)</b>	(0.1)	(1.9)
341.5	<b>Profit attributable to the equity holders of the company</b>		<b>87.4</b>	67.3	20.1

## 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 €92.5 million (€69.7 million in the first quarter of 2006). The positive change of €22.8 million is due to the higher contribution by the Fiat Group (+€62.6 million), which exceeds the lower contributions by the Sequana Capital Group (-€24.8 million), the Alpitour Group (-€8.5 million) and Juventus Football Club (-€6.6 million).

Year	€ in millions	Profit (loss)		IFIL's share		Change
		Q1 2007	Q1 2006	Q1 2007	Q1 2006	
2006						
304.6	Fiat Group	<b>358.0</b>	138.0	<b>102.3</b>	39.1	63.2
(15.4)	Consolidation adjustments			<b>0.3</b>	0.9	(0.6)
289.2	<b>Total Fiat Group</b>			<b>102.6</b>	40.0	62.6
504.2	Sequana Capital Group	<b>18.2</b>	63.7	<b>8.9</b>	33.7	(24.8)
(494.1)	Consolidation adjustments			<b>0.0</b>	0.0	0.0
10.1	<b>Total Sequana Capital Group</b>			<b>8.9</b>	33.7	(24.8)
3.0	Alpitour Group	<b>(16.3)</b> (a)	(7.8) (a)	<b>(16.3)</b>	(7.8)	(8.5)
(8.8)	Juventus Football Club S.p.A.	<b>(4.5)</b> (b)	6.6 (b)	<b>(2.7)</b>	3.9	(6.6)
(0.3)	Other			<b>0.0</b>	(0.1)	0.1
293.2	<b>Total</b>			<b>92.5</b>	69.7	22.8

(a) Data for the period November 1 – January 31.

(b) Data for the period January 1 – March 31.

## IFIL GROUP – Condensed interim consolidated balance sheet

€ in millions	Note	Balance at		Change	
		3/31/2007	12/31/2006		
<b>Non-current assets</b>					
Investments accounted for by the equity method	2	<b>3,855.8</b>	3,291.8	564.0	
Other financial assets	3	<b>2,659.4</b>	2,563.5	95.9	
Property, plant and equipment		<b>13.3</b>	13.2	0.1	
		<b>Total Non-current assets</b>	<b>6,528.5</b>	5,868.5	660.0
<b>Current assets</b>					
Financial assets	6	<b>355.9</b>	857.1	(501.2)	
Financial receivables from related parties	6	<b>94.9</b>	0.0	94.9	
Cash and cash equivalents	6	<b>8.6</b>	5.7	2.9	
Trade receivables and other receivables		<b>47.4</b>	47.2	0.2	
		<b>Total Current assets</b>	<b>506.8</b>	910.0	(403.2)
<b>Assets held for sale</b>					
		<b>4.3</b>	0.0	4.3	
		<b>Total Assets</b>	<b>7,039.6</b>	6,778.5	261.1
<b>Equity attributable to the equity holders of the company</b>					
	5	<b>6,373.1</b>	6,222.3	150.8	
<b>Non-current liabilities</b>					
Provisions for employee benefits and provisions for other liabilities and charges		<b>2.5</b>	2.4	0.1	
Bonds and other debt	6	<b>199.2</b>	199.2	0.0	
Deferred tax liabilities and other liabilities		<b>53.0</b>	52.6	0.4	
		<b>Total Non-current liabilities</b>	<b>254.7</b>	254.2	0.5
<b>Current liabilities</b>					
Other debt	6	<b>391.1</b>	277.6	113.5	
Trade payables and other liabilities		<b>20.7</b>	24.4	(3.7)	
		<b>Total Current liabilities</b>	<b>411.8</b>	302.0	109.8
		<b>Total Equity and liabilities</b>	<b>7,039.6</b>	6,778.5	261.1

## 2. Investments accounted for by the equity method

Details are as follows:

€ in millions	Carrying amount at		Change
	3/31/2007	12/31/2006	
Fiat Group	2,711.3	2,610.6	100.7
Sequana Capital Group	592.2	588.8	3.4
Cushman & Wakefield Group	483.5	0.0	483.5
Alpitour Group	53.8	70.4	(16.6)
Juventus Football Club S.p.A.	15.0	17.7	(2.7)
Turismo&Immobiliare S.p.A. (a)	0.0	4.3	(4.3)
<b>Total</b>	<b>3,855.8</b>	<b>3,291.8</b>	<b>564.0</b>

(a) Following agreement reached for its disposal, at March 31, 2007, the investment is classified in assets held for sale.

The carrying amount of the investment in Cushman & Wakefield, purchased on March 30, 2007, is accounted for by the equity method at March 31, 2007 which coincides with the cost of purchase (€474.3 million) plus estimated transaction costs (€9.2 million).

## 3. Other non-current financial assets

Details are as follows:

€ in millions	Carrying amount at		Change
	3/31/2007	12/31/2006	
<b>Other investments</b>			
Intesa Sanpaolo S.p.A.	1,647.3	1,640.3	7.0
SGS S.A.	959.9	870.0	89.9
Gruppo Banca Leonardo S.p.A.	46.1	47.0	(0.9) (a)
Subsidiaries of the "Holdings System" in liquidation and others	1.0	1.0	0.0
<b>Securities</b>			
Ocean Club Méditerranée bonds	5.0	5.0	0.0
<b>Sundry</b>	<b>0.1</b>	<b>0.2</b>	<b>(0.1)</b>
<b>Total other non-current financial assets</b>	<b>2,659.4</b>	<b>2,563.5</b>	<b>95.9</b>

(a) The reduction is due to the refund received as a result of the price revision.

The original carrying amount of the investment in SGS is €387.8 million. In the year 2006 and in the first quarter of 2007, the overall fair value adjustment to the investment totals €572.1 million.

The original purchase cost of the investment in Intesa Sanpaolo is €883.4 million. In the years 2005 and 2006 and in the first quarter of 2007, the overall fair value adjustment to the investment totals €763.9 million.

#### 4. 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		Market price at			
				March 30, 2007		May 4, 2007	
				Per share (€)	Total (€ml)	Per share (€)	Total (€ml)
Fiat Group							
- ordinary shares	332,587,447	7.455	<b>2,479.6</b>	18.98	<b>6,312.8</b>	21.68	<b>7,210.5</b>
- preferred shares	31,082,500	7.455	<b>231.7</b>	16.81	<b>522.6</b>	19.54	<b>607.3</b>
			<b>2,711.3</b>		<b>6,835.4</b>		<b>7,817.8</b>
Sequana Capital Group	24,009,482	24.66	<b>592.2</b>	22.76	<b>546.5</b>	22.72	<b>545.5</b>
Intesa Sanpaolo S.p.A.	289,916,165	5.68	<b>1,647.3</b>	5.68	<b>1,647.3</b>	6.19	<b>1,794.6</b>
Juventus Football Club S.p.A.	72,560,500	0.207	<b>15.0</b>	1.89	<b>137.1</b>	1.82	<b>132.1</b>
SGS S.A.	1,074,820	893.09	<b>959.9</b>	893.09	<b>959.9</b>	931.49	<b>1,001.2</b>
Ocean Club Méditerranée bonds	76,614	65.43	<b>5.0</b>	66.01	<b>5.1</b>	66.00	<b>5.1</b>
<b>Total</b>			<b>5,930.7</b>		<b>10,131.3</b>		<b>11,296.3</b>

#### 5. Equity attributable to the equity holders of the company

Details are as follows:

€ in millions	3/31/2007	12/31/2006	Change
Capital and reserves	<b>6,421.6</b>	6,270.8	150.8
Treasury stock	<b>(48.5)</b>	(48.5)	0.0
<b>Total</b>	<b>6,373.1</b>	6,222.3	150.8

The changes during the period are analyzed as follows:

€ in millions	
<b>Equity attributable to the equity holders of the company at December 31, 2006</b>	<b>6.222,3</b>
Fair value adjustment to the investment in Intesa Sanpaolo (+€ 7 million, net of -€ 0.4 million of deferred taxes) and the investment in SGS (+€ 63.7 million)	70,3
Share of translation differences (-€ 8.5 million) and other net changes (+€ 1.6 million) shown in the equity of the companies consolidated and those accounted for by the equity method	(6,9)
Profit attributable to the equity holders of the company	87,4
<b>Net change during the period</b>	<b>150,8</b>
<b>Equity attributable to the equity holders of the company at March 31, 2007</b>	<b>6.373,1</b>

At March 31, 2007, IFIL S.p.A. holds, directly and indirectly, the following treasury stock:

	Number of IFIL ordinary shares	% of class of stock	Amount	
			Per share (€)	Total (€ml)
Held by IFIL S.p.A.	12,402,998	1.19	3.68	45.7
Held by the subsidiary Soiem S.p.A.	810,262	0.08	3.41	2.8
<b>Balance at March 31, 2007</b>	<b>13,213,260</b>	<b>1.27</b>	<b>3.67</b>	<b>48.5</b>

During the first quarter of 2007 there were no transactions involving treasury stock.

## 6. Consolidated net financial position of the “Holdings System”

The consolidated net financial position of the “Holdings System” at March 31, 2007 shows a borrowings position of € 130.8 million, a negative change of € 517 million from the cash position at the end of 2006 (€ 386.2 million).

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

3/31/2006			3/31/2007			12/31/2006		
Current	Non-current	Total € in millions	Current	Non-current	Total	Current	Non-current	Total
497.2	0.0	497.2	355.9	0.1	356.0	857.1	0.2	857.3
		Financial assets						
		Financial receivables from related parties	94.9	0.0	94.9	0.0	0.0	0.0
3.9	0.0	3.9	8.6	0.0	8.6	5.7	0.0	5.7
		Cash and cash equivalents						
501.1	0.0	501.1	459.4	0.1	459.5	862.8	0.2	863.0
		<b>Total financial assets</b>						
(99.7)	0.0	(99.7)	0.0	(199.2)	(199.2)	0.0	(199.2)	(199.2)
		Bonds						
(64.2)	0.0	(64.2)	(391.1)	0.0	(391.1)	(277.6)	0.0	(277.6)
		Bank and other debt						
(163.9)	0.0	(163.9)	(391.1)	(199.2)	(590.3)	(277.6)	(199.2)	(476.8)
		<b>Total financial liabilities</b>						
		<b>Consolidated net financial position of the “Holdings System”</b>	<b>68.3</b>	<b>(199.1)</b>	<b>(130.8)</b>	<b>585.2</b>	<b>(199.0)</b>	<b>386.2</b>

Current financial assets amount to € 355.9 million (€ 857.1 million at the end of 2006) and principally include investments in time deposits, in bonds and in other short-term financial instruments.

Financial receivables from related parties for € 94.9 million refer to the short-term loan made to the subsidiary Cushman & Wakefield on March 30, 2007. The loan earns interest at the weekly Libor plus a spread of 225 basis points.

The negative change of € 517 million during the quarter is due to the following flows:

€ in millions	
<b>Consolidated net financial position of the “Holdings System” at December 31, 2006</b>	<b>386.2</b>
Dividends collected from SGS S.A.	13.3
Acquisition of a 71.52% stake in C&W capital	(483.5) (a)
Purchase of 45,364 SGS shares (0.58% of the class of stock)	(39.5)
Other net changes:	
- Other financial income	1.1
- Net general expenses	(4.2)
- Other changes	(4.2)
	(7.3)
<b>Net change during the period</b>	<b>(517.0)</b>
<b>Consolidated net financial position of the “Holdings System” at March 31, 2007</b>	<b>(130.8)</b>

(a) Including estimated transaction costs of € 9.2 million.

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.

**The major events in the first months of 2007** are presented below.

**Acquisition of control of 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), taking over from Rockefeller Group International Inc. (RGI), 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 (€474.3 million), in addition to estimated transaction costs of €9.2 million. The remaining 28.48% stake is held by C&W management and employees.

On March 30, 2007, IFIL S.p.A. also made a short-term loan to C&W for \$126.3 million, equal to €94.9 million, succeeding RGI.

**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.

The stockholders' meeting held on April 20, 2007 approved the capital stock increase of 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) proposed by the board of directors in order to finance the development plan.

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**

On April 30, 2007, Ifil Investissements S.A. subscribed to 11,055,537 shares issued as part of the capital increase by Gruppo Banca Leonardo for an investment of €36.3 million. Ifil Investissements currently holds 9.66% of the capital stock of Gruppo Banca Leonardo.

**Increase in the investment in SGS S.A.**

In March 2007, 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%.

**Agreement for the sale of the investment in Turismo&Immobiliare**

On March 26, 2007, 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.



**Non-convertible bond issue**

On May 14, 2007, the board of directors of IFIL S.p.A. approved the issue of non-convertible bonds by July 31, 2007, in one or more tranches, for Italian and foreign investment professionals, for a nominal amount of a minimum of €450 million and a maximum of €550 million for a maximum period of 10 years. The purpose of the bond issue is to raise new funds for IFIL in order to refinance its existing debt as part of the strategy undertaken by IFIL to extend the maturities of its debt. The terms of the issue will be established on the basis on market conditions.

IFIL S.p.A. expects to make application for the bonds to be admitted to the Luxembourg stock exchange upon filing of its prospectus; the principal amount of the bonds will be repaid at maturity, except in cases of early redemption.

Turin, May 15, 2007

On behalf of the Board of Directors  
The Chairman  
John Elkann