

## IFIL GROUP IN 2003



CONSOLIDATED FINANCIAL STATEMENTS AND  
STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2003



Joint-stock Company

Capital stock € 1,075,195,737, fully paid-in

Registered office in Turin - Corso Matteotti 26 - Turin Company Register No. 00914230016

**IFIL GROUP IN 2003**  
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This is an English translation of the Italian original "Bilancio consolidato e Bilancio di esercizio al 31 dicembre 2003" approved by the IFIL Board of Directors on March 29, 2004, which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and for complete information about IFIL S.p.A. and the Group, reference should be made to the full original report in Italian "Il Gruppo IFIL nel 2003" containing the Directors' Report on Operations and the Consolidated and Statutory Financial Statements also available on the corporate website: <http://www.ifil.it>

# IFIL Group

# IFIL Group

<b>CONSOLIDATED BALANCE SHEET - ASSETS</b>		<b>12/31/2003</b>	<b>12/31/2002</b>	<b>12/31/2002</b>
€ in millions			restated (a)	published
<b>AMOUNTS DUE FROM STOCKHOLDERS FOR SHARES SUBSCRIBED BUT NOT CALLED</b>				
		<b>0</b>	<b>1</b>	<b>0</b>
<b>FIXED ASSETS</b>				
<b>Intangible fixed assets</b>	(note 1)			
Start-up and expansion costs		<b>155</b>	81	4
Research, development and advertising expenses		<b>22</b>	18	0
Industrial patents and intellectual property rights		<b>406</b>	417	0
Concessions, licenses, trademarks and similar rights		<b>383</b>	493	26
Goodwill		<b>159</b>	236	7
Intangible assets in progress and advances		<b>255</b>	281	18
Other intangible assets		<b>167</b>	366	8
Differences on consolidation		<b>3,164</b>	4,331	960
	<b>Total intangible fixed assets</b>	<b>4,711</b>	6,223	1,023
<b>Property, plant and equipment</b>	(note 2)			
Land and buildings		<b>3,117</b>	4,239	429
Plant and machinery		<b>3,401</b>	3,728	7
Industrial and commercial equipment		<b>2,104</b>	2,182	671
Other assets		<b>1,363</b>	2,151	56
Construction in progress and advances		<b>828</b>	1,023	46
	<b>Total property, plant and equipment</b>	<b>10,813</b>	13,323	1,209
<b>Financial fixed assets</b>	(note 3)			
Investments in				
. unconsolidated subsidiaries		<b>528</b>	569	11
. associated companies		<b>4,286</b>	3,974	2,068
. other companies		<b>944</b>	1,357	674
	<b>Total investments</b>	<b>5,758</b>	5,900	2,753
Receivables from				
associated companies		<b>1</b>	1	1
others		<b>181</b>	201	154
	<b>Total receivables</b>	<b>182</b>	202	155
Other securities		<b>84</b>	2,463	18
Treasury stock		<b>45</b>	45	42
Finance lease contracts receivable		<b>1,797</b>	2,947	0
Investments where the investment risk is borne by policyholders and those related to pension plan management		<b>0</b>	6,930	0
Other financial fixed assets		<b>315</b>	359	359
	<b>Total financial fixed assets</b>	<b>8,181</b>	18,846	3,327
<b>TOTAL FIXED ASSETS</b>		<b>23,705</b>	38,392	5,559
<b>CURRENT ASSETS</b>				
<b>Inventories</b>	(note 4)			
Raw materials and supplies		<b>1,259</b>	1,399	151
Work in progress and semifinished products		<b>983</b>	1,122	41
Contract work in progress		<b>4,077</b>	5,293	0
Finished goods and merchandise		<b>4,431</b>	4,242	412
Advances to suppliers		<b>5,188</b>	3,824	0
	<b>Total inventories</b>	<b>15,938</b>	15,880	604

(a) Restated for purposes of comparison to give effect to the line-by-line consolidation of the data of the Fiat Group and Soiem.

# IFIL Group

€ in millions	12/31/2003	12/31/2002 restated (a)	12/31/2002 published
<b>CURRENT ASSETS (continued)</b>			
<b>Receivables</b>	(note 5)		
Trade receivables	4,679	6,294	986
Receivables from unconsolidated subsidiaries	78	55	1
Receivables from associated companies	768	477	4
Other receivables	5,232	7,168	367
<b>Total receivables</b>	<b>10,757</b>	<b>13,994</b>	<b>1,358</b>
<b>Financial assets not held as fixed assets</b>	(note 6)		
Investments	32	810	0
Treasury stock	2	0	0
Other securities	4,357	7,112	321
Financial receivables from unconsolidated subsidiaries	521	519	8
Financial receivables from associated companies	644	1,313	0
Financial receivables from parent companies	0	4	0
Financial receivables from others	9,605	16,596	7
<b>Total financial assets not held as fixed assets</b>	<b>15,161</b>	<b>26,354</b>	<b>336</b>
<b>Cash</b>			
Banks and post office accounts	3,443	3,697	242
Cash on hand	9	25	0
Checks	9	11	0
<b>Total cash</b>	<b>3,461</b>	<b>3,733</b>	<b>242</b>
<b>TOTAL CURRENT ASSETS</b>	<b>45,317</b>	<b>59,961</b>	<b>2,540</b>
<b>ACCRUED INCOME AND PREPAID EXPENSES</b>	(note 7)		
	849	1,280	40
<b>TOTAL ASSETS</b>	<b>69,871</b>	<b>99,634</b>	<b>8,139</b>

(a) Restated for purposes of comparison to give effect to the line-by-line consolidation of the data of the Fiat Group and Soiem.

# IFIL Group

<b>CONSOLIDATED BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>12/31/2003</b>	<b>12/31/2002</b>	<b>12/31/2002</b>
€ in millions			restated (a)	published
<b>STOCKHOLDERS' EQUITY</b>				
	(note 8)			
<b>Stockholders' equity of the Group</b>				
Capital stock		1,075	442	442
Additional paid-in capital		1,049	801	801
Revaluation reserves		3	3	3
Legal reserve		146	101	101
Treasury stock valuation reserve		47	42	42
Retained earnings and other reserves		2,148	1,882	1,882
Cumulative translation adjustments		(469)	(196)	(196)
Net loss		(45)	(367)	(367)
	<b>Total stockholders' equity of the Group</b>	<b>3,954</b>	<b>2,708</b>	<b>2,708</b>
<b>Minority interest - capital and reserves</b>		<b>8,040</b>	<b>12,347</b>	<b>935</b>
<b>Minority interest - net loss</b>		<b>(1,477)</b>	<b>(3,651)</b>	<b>109</b>
	<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>10,517</b>	<b>11,404</b>	<b>3,752</b>
<b>RESERVES FOR RISKS AND CHARGES</b>				
	(note 9)			
Reserve for pensions and similar obligations		1,571	1,527	68
Income tax reserves		422	1,571	136
Consolidation reserve for risks and future expenses		70	0	0
Other reserves		3,830	4,515	387
Insurance policy liabilities and accruals		89	9,605	0
Other insurance policy liabilities and accruals		0	7,000	0
	<b>TOTAL RESERVES FOR RISKS AND CHARGES</b>	<b>5,982</b>	<b>24,218</b>	<b>591</b>
<b>RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES</b>				
	(note 10)	<b>1,330</b>	<b>1,625</b>	<b>15</b>
<b>PAYABLES</b>				
	(note 11)			
Bonds		9,910	11,018	145
Convertible bonds		1,765	2,125	0
Borrowings from banks		10,215	14,196	1,156
Other financial payables		1,405	1,634	425
Advances		9,166	9,326	16
Trade payables		12,596	13,014	862
Notes payable		955	2,438	801
Payables to unconsolidated subsidiaries		69	68	5
Payables to associated companies		854	1,117	10
Taxes payable		944	1,390	87
Social security payable		328	354	41
Other payables		1,500	2,223	167
	<b>TOTAL PAYABLES</b>	<b>49,707</b>	<b>58,903</b>	<b>3,715</b>
<b>ACCRUED EXPENSES AND DEFERRED INCOME</b>				
	(note 12)	<b>2,335</b>	<b>3,484</b>	<b>66</b>
	<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>69,871</b>	<b>99,634</b>	<b>8,139</b>

(a) Restated for purposes of comparison to give effect to the line-by-line consolidation of the data of the Fiat Group and Soiem.

# IFIL Group

<b>GUARANTEES GRANTED, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS</b>	(note 13)	<b>12/31/2003</b>	12/31/2002	12/31/2002
€ in millions			restated (a)	published
<b>GUARANTEES GRANTED</b>				
<b>Unsecured guarantees</b>				
Suretyships				
on behalf of associated companies		10	21	0
on behalf of others		3,162	1,678	62
Total suretyships		3,172	1,699	62
Guarantees of notes on behalf of others		261	316	
<b>Other unsecured guarantees</b>				
on behalf of unconsolidated subsidiaries		1	0	0
on behalf of associated companies		295	351	0
on behalf of others		2,813	3,050	28
Total other unsecured guarantees		3,109	3,401	28
	<b>Total unsecured guarantees</b>	<b>6,542</b>	<b>5,416</b>	<b>90</b>
<b>Secured guarantees on behalf of others</b>		<b>47</b>	<b>501</b>	<b>185</b>
	<b>TOTAL GUARANTEES GRANTED</b>	<b>6,589</b>	<b>5,917</b>	<b>275</b>
<b>COMMITMENTS</b>				
Commitments related to derivative financial instruments		22,337	39,726	1,191
Commitments to purchase property, plant and equipment		330	499	5
Other commitments		10,686	10,213	329
	<b>TOTAL COMMITMENTS</b>	<b>33,353</b>	<b>50,438</b>	<b>1,525</b>
<b>THIRD-PARTY ASSETS HELD BY THE GROUP</b>		<b>2,017</b>	<b>2,071</b>	<b>0</b>
<b>GROUP ASSETS HELD BY THIRD PARTIES</b>		<b>4,672</b>	<b>20,811</b>	<b>54</b>
<b>OTHER MEMORANDUM ACCOUNTS</b>		<b>380</b>	<b>267</b>	<b>0</b>

(a) Restated for purposes of comparison to give effect to the line-by-line consolidation of the data of the Fiat Group and Soiem.

# IFIL Group

<b>CONSOLIDATED STATEMENT OF OPERATIONS</b>		<b>2003</b>	<b>2002</b>	<b>2002</b>
€ in millions			restated (a)	published
<b>VALUE OF PRODUCTION</b>		(note 14)		
Revenues from sales and services		53.510	60.795	5.364
Change in work in progress, semifinished and finished products inventories		694	(809)	7
Change in contract work in progress		(1.075)	222	0
Additions to internally produced fixed assets		688	1.107	0
Other income and revenues:				
revenue grants		53	47	0
other		1.684	2.125	19
Total other income and revenues		1.737	2.172	19
<b>TOTAL VALUE OF PRODUCTION</b>		<b>55.554</b>	<b>63.487</b>	<b>5.390</b>
<b>COSTS OF PRODUCTION</b>		(note 15)		
Raw materials, supplies and merchandise		(30.917)	(32.965)	(2.676)
Services		(9.853)	(11.332)	(1.441)
Leases and rentals		(434)	(531)	(64)
Personnel:				
salaries and wages		(5.339)	(6.036)	(578)
social security contributions		(1.409)	(1.519)	(154)
employee severance indemnities		(247)	(259)	(3)
employee pensions and similar obligations		(188)	(105)	(5)
other costs		(340)	(397)	(21)
Total personnel costs		(7.523)	(8.316)	(761)
Amortization, depreciation and writedowns:				
amortization of intangible fixed assets		(604)	(682)	(87)
depreciation of property, plant and equipment		(1.868)	(2.146)	(127)
writedown of fixed assets		(35)	(2)	0
writedown of receivables among current assets and cash		(281)	(379)	(12)
Total amortization, depreciation and writedowns		(2.788)	(3.209)	(226)
Change in raw materials, supplies and merchandise inventories		(86)	(12)	27
Provisions for risks		(1.164)	(1.138)	0
Other provisions		(29)	(37)	(7)
Other operating costs		(1.112)	(1.404)	(98)
Expenses of financial services companies		(668)	(1.115)	0
Insurance claims and other insurance costs		(1.367)	(4.045)	0
<b>TOTAL COSTS OF PRODUCTION</b>		<b>(55.941)</b>	<b>(64.104)</b>	<b>(5.246)</b>
<b>DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION</b>		<b>(387)</b>	<b>(617)</b>	<b>144</b>
<b>FINANCIAL INCOME AND EXPENSES</b>		(note 16)		
Investment income from:				
unconsolidated subsidiaries		0	3	0
associated companies		1	1	0
other companies		59	199	47
Total investment income		60	203	47
Other financial income from:				
receivables held as fixed assets from others		5	8	6
securities held as fixed assets other than equity investments		0	156	0
securities held as current assets other than equity investments		127	160	12
Other income from:				
. unconsolidated subsidiaries		8	26	2
. associated companies		7	23	0
. others		1.416	1.925	150
Total other income		1.431	1.974	152
Total other financial income		1.563	2.298	170
Interest and other financial expenses from:				
unconsolidated subsidiaries		(3)	(2)	0
associated companies		(6)	(3)	0
others		(2.596)	(3.181)	(231)
Total interest and other financial expenses		(2.605)	(3.186)	(231)
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>		<b>(982)</b>	<b>(685)</b>	<b>(14) (b)</b>

- (a) Restated for purposes of comparison to give effect to the line-by-line consolidation of the data of the Fiat Group and Soiem.  
(b) Items reclassified for purposes of comparison with the data supplied by the subsidiaries.



# IFIL Group

€ in millions	2003	2002 restated (a)	2002 published
<b>ADJUSTMENTS TO FINANCIAL ASSETS</b>			
			(note 17)
Revaluations of:			
equity investments	224	108	38
financial fixed assets other than equity investments	0	1	1
securities held in current assets other than equity investments	15	7	0
Total revaluations	<u>239</u>	<u>116</u>	<u>39</u>
Writedowns of:			
equity investments	(306)	(874)	(482)
financial fixed assets other than equity investments	(1)	(15)	(15)
securities held in current assets other than equity investments	(9)	(45)	0
financial receivables	(6)	(20)	(1)
Total writedowns	<u>(322)</u>	<u>(954)</u>	<u>(498)</u>
<b>TOTAL ADJUSTMENTS TO FINANCIAL ASSETS</b>	<b>(83)</b>	<b>(838)</b>	<b>(459)</b> (b)
<b>EXTRAORDINARY INCOME AND EXPENSES</b>			
			(note 18)
Income:			
gains on disposals	1,987	1,376	294
other income	192	166	12
Total income	<u>2,179</u>	<u>1,542</u>	<u>306</u>
Expenses:			
losses on disposals	(56)	(1,240)	0
taxes relating to prior years	(27)	(80)	(1)
other expenses	(1,659)	(2,479)	(59)
Total expenses	<u>(1,742)</u>	<u>(3,799)</u>	<u>(60)</u> (b)
<b>TOTAL EXTRAORDINARY INCOME AND EXPENSES</b>	<b>437</b>	<b>(2,257)</b>	<b>246</b>
<b>LOSS BEFORE TAXES</b>	<b>(1,015)</b>	<b>(4,397)</b>	<b>(83)</b>
<b>INCOME TAXES</b>			
			(note 19)
<b>LOSS BEFORE MINORITY INTEREST</b>	<b>(1,729)</b>	<b>(4,018)</b>	<b>(258)</b>
Minority interest	1,477	3,651	(109)
Use of the Consolidation reserve for risks and future expenses	207	0	0
<b>NET LOSS</b>	<b>(45)</b>	<b>(367)</b>	<b>(367)</b>

(a) Restated for purposes of comparison to give effect to the line-by-line consolidation of the data of the Fiat Group and Soiem.

(b) Items reclassified for purposes of comparison with the data supplied by the subsidiaries.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2003 have been prepared in accordance with the provisions contained in Italian Legislative Decree No. 127 dated April 9, 1991. The Notes to the consolidated financial statements have been prepared in conformity with the same Legislative Decree, art. 38. The consolidated financial statements are expressed in millions of euros.

Significant subsequent events are disclosed in the Directors' Report on Operations to which reference can be made.

### THE REORGANIZATION OF IFIL GROUP

Following the resolution passed by IFIL's Extraordinary Stockholders' Meeting held on April 23, 2003, IFIL received the following investments and warrants as a contribution from the parent company IFI:

	Number	% of class of stock	Contribution value			
			In the statutory financial statements		In the consolidated financial statements	
			Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Fiat ordinary shares	77,944,334	17.99%	7.197	561.0	8.869	691.3
Fiat preferred shares	19,582,500	18.96%	5.165	101.1	5.165	101.1
Warrants 2007 on Fiat ordinary shares	11,216,334	-	0.319	3.6	0.319	3.6
SANPAOLO IMI ordinary shares	16,300,000	1.13%	6.605	107.7	6.605	107.7
Juventus Football Club	74,992,103	62.01%	0.156	11.7	1.823	136.7
Soiem	18,286,500	50.10%	0.516	9.4	0.633	11.6
<b>TOTAL</b>				<b>794.5</b>		<b>1,052.0</b>

The economic value of the contribution was calculated (with the exception of Soiem, which is unlisted and valued at net asset value) on the basis of the average official market prices in the period between September 2, 2002 and February 28, 2003 and resulted in a total of € 1,052 million.

In the statutory financial statements of IFIL S.p.A., the contribution, however, was recorded for € 794.5 million in that, in accordance with the provisions of art. 3 of Legislative Decree No. 358 of October 8, 1997, the Fiat ordinary shares, the Juventus Football Club shares and the Soiem shares (representing investments in subsidiaries or affiliates) were contributed with a view to the continuity of the accounting values recorded in the financial statements of IFI S.p.A. for the year ended December 31, 2002, whereas the SANPAOLO IMI ordinary shares, the Fiat preferred shares and the Fiat 2007 warrants on ordinary shares were contributed at economic values.

In exchange for this contribution, based upon the economic value of IFIL determined for purposes of the transaction, IFIL issued to IFI 167,450,949 ordinary shares at the accounting per share price of approximately € 3.122 and 119,635,991 savings shares at the accounting per share price of approximately € 2.272. The par value of the IFIL shares issued amounted to € 287,086,940, plus € 507,460,128 of additional paid-in capital, for a total of € 794,547,068.

Lastly, there follows a description of the principles applied in accounting for the transactions regarding the Reorganization of the Group in the consolidated financial statements:

- the total accounting value of the investments contributed by the parent company IFI S.p.A., recorded in the statutory financial statements of the Group holding company IFIL S.p.A., in exchange for the capital stock increase (including additional paid-in capital) reserved for IFI, amounted to € 794.5 million; in the consolidated financial statements, in order to eliminate fiscal interference, this value has been adjusted to the economic value attributed to the investments contributed, equal to € 1,052 million, with a contra-entry to the reserves in the consolidated stockholders' equity of the IFIL Group for € 257.5 million;
- the controlling investment in the Fiat Group is consolidated line-by-line starting April 1, 2003 (previously, the investment was treated as an associated company and was accounted for using the equity method);
- the controlling investment in Juventus Football Club, inasmuch as it has non-homogeneous operations, has been accounted for using the equity method starting April 1, 2003;

- the investment in Soiem has been consolidated line-by-line starting April 1, 2003 (previously, the investment was treated as an associated company and was accounted for using the equity method);
- the difference of € 277.1 million between the economic value of the contribution of the Fiat investment (€ 792.4 million) and the underlying share of the consolidated stockholders' equity of the Fiat Group at March 31, 2003 (€ 1,069.5 million) has been recorded in the caption "Consolidation reserve for risks and future expenses". This reserve has been partly utilized (€ 207.5 million) to cover the share of the loss of the Fiat Group for the period April 1 – December 31, 2003 on the shares acquired in the contribution;
- the difference on consolidation of € 83.2 million arising from the comparison between the economic value of the contribution of the investment in Juventus Football Club (€ 136.7 million) and the underlying share of the stockholders' equity of the company at March 31, 2003 (€ 53.5 million), a portion of which, equal to € 42.8 million, has been deducted from the consolidation reserve, (set up during 2003 following other acquisitions), up to the amount of the same; the remaining difference on consolidation (€ 40.4 million) is being amortized prorata over a period of ten years;
- the difference of € 1.9 million emerging from the comparison between the economic value of the contribution of the investment in Soiem (€ 11.6 million) and the underlying share of the stockholders' equity of the company at March 31, 2003 (€ 9.7 million) has been allocated as an increase to the value of the building owned by Soiem, within the limits of its appraisal value.

The line-by-line consolidation of the Fiat Group and of the subsidiary Soiem beginning from April 1, 2003 does not make it possible to homogeneously compare the 2003 data with the data previously published in 2002, wherein the investments then held in the Fiat Group (10.9%) and in Soiem (49.9%) had been accounted for using the equity method.

Accordingly, to facilitate the comparative analysis, the consolidated data of the IFIL Group at December 31, 2002 has been restated to give effect to the line-by-line consolidation of the economic and balance sheet data of the Fiat Group and Soiem however without modifying the previously published economic results and consolidated stockholders' equity of the IFIL Group.

The consolidated balance sheet and statement of operations show both the originally published figures and the restated figures for the year ended December 31, 2002.

The notes disclose the changes in the principal captions of the assets and liabilities and the statement of operations. Comments refer to the balances for the year ended December 31, 2003 compared to the "restated" balances at December 31, 2002.

## SCOPE OF CONSOLIDATION

### Criteria used in determining the scope of consolidation

Directly and indirectly controlled subsidiaries (in which IFIL holds directly or indirectly more than 50% of the capital stock or has de facto control) have been consolidated line-by-line using the financial statements at December 31, 2003 or the annual accounting data as at the same date (where the year-end does not coincide with that of the consolidated financial statements) except as indicated below.

The NHT Group has been consolidated on a line-by-line basis using the consolidated accounting data at October 31, 2003, owing to the impossibility of obtaining, on timely basis without disproportionate expense, consolidated accounting data as of the date of the IFIL's consolidated financial statements. This treatment, allowed by IAS 27, does not affect the assertion that the consolidated financial statements are a true and correct representation of the financial position and results of operations of the Group.

Investments in companies subject to joint control and associated companies in which the Group exercises a significant influence have been accounted for using the equity method.

Certain non-relevant companies which do not have a significant impact on the total consolidated revenues and for which it is not practicable to obtain the necessary information on a timely basis without disproportionate expense have been excluded from consolidation and valued at cost. This exclusion does not affect the assertion that the consolidated financial statements are a true and correct representation of the financial position and results of operations of the Group or the clarity of the financial statements.

Furthermore, the subsidiaries BUC – Banca Unione di Credito and Juventus Football Club have been accounted for using the equity method inasmuch as they have non-homogeneous operations.

## Changes in the scope of consolidation

Changes in the scope of consolidation are described below.

### **Fiat Group**

The major transactions which impacted the scope of consolidation of the Fiat Group are summarized in the following paragraphs.

In the first quarter of 2003, Iveco sold the activities of Fraikin, a company specializing in long-term vehicle leasing, to Eurazeo. The activities sold were deconsolidated as from the beginning of the year. The sales price was € 307 million, realizing a net loss of € 24 million.

Also in the first quarter of 2003, Business Solutions sold approximately 56% of IPI S.p.A. to the Zunino Group. IPI, which was deconsolidated as from the beginning of the year, operates in the field of large property improvements, management and sales.

At the end of March 2003, the Automobile Sector sold Fiat Auto Holdings' retail financing activities in Brazil to the Itaú banking group and the activities were deconsolidated from that date. The sales price was € 247 million, with a net gain of € 103 million.

On May 2, 2003, the agreement to sell the Toro Assicurazioni Group to the DeAgostini Group was signed. The relevant insurance operations were deconsolidated from that date. The sales price was € 2,378 million, with a net gain of € 390 million.

On May 27, 2003, under the agreement signed by Fiat and Capitalia, Banca Intesa, SANPAOLO IMI and Unicredito on March 11, 2003, and following approval by the competent authorities, the first part of the transaction for the sale of the majority interest (51%) in Fidis Retail Italia was concluded. Fidis Retail Italia is the company that controls the European operations of Fiat Auto Holdings in the field of retail consumer financing for automobile purchases. The sale was finalized in October 2003 when the equity investments in the other financial companies covered by the agreement were transferred to Fidis Retail Italia, with the sole exception of the company operating in the United Kingdom.

In execution of the contract dated July 1, 2003 and after having met the conditions precedent, the sale of the aerospace activities of FiatAvio S.p.A. to Avio Holding S.p.A., a company 70% owned by The Carlyle Group and 30% by Finmeccanica S.p.A., was finalized. Such activities were deconsolidated from the date of the agreement. The sales price was € 1,509 million, with a net gain of € 1,258 million.

Moreover, Iveco has accounted for Naveco, the 50-50 joint venture with the Yueijin Group, using the equity method since the beginning of the year. This investment was previously consolidated using the proportional method.

### **NHT Group**

Through NHT - New Holding for Tourism (90%-owned), the wholly owned investments in Alpitour Group and Welcome Travel Group were consolidated line-by-line. The investment in Neos (50%-owned) was accounted for using the equity method.

In the year ended October 31, 2003, Altamarea V & H Compagnia Alberghiera, in which a 60%-investment was acquired in 2003, was consolidated line-by-line.

The investment in Viaggidea was consolidated line-by-line beginning in 2003 (in 2002, the investment was accounted for using the equity method).

The acquisition of a further 30%-investment in Promoviaggi (now 60%-owned) was finalized at the end of the year. This investment is accounted for using the equity method; the share of earnings was recorded on the basis of the 30% interest held during the course of the year.

## PRINCIPLES OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared from the statutory financial statements or consolidated financial statements of the Group's single companies approved by the Boards of Directors and adjusted, where necessary, by the directors of the companies to conform with Group accounting principles and to eliminate tax-driven adjustments. The Group's accounting principles respect the requirements set forth by Legislative Decree No. 127 of April 9, 1991, interpreted and supplemented by the Italian accounting principles issued by the National Boards of Dottori Commercialisti and of Ragionieri, and, where there are none and not at variance, by those laid down by the International Accounting Standards Board (I.A.S.B.), to the extent that they are compatible with the laws in force. As regards the transition to International Accounting Standards "International Financial Reporting Standards IFRS", reference should be made to the specific section in the Directors' Report on Operations.

In order to obtain a true and fair representation of the financial position and results of operations of the Fiat Group, taking into account their functional integration, the financial companies that provide service to the industrial Sectors of the Fiat Group and the insurance companies have also been consolidated on a line-by-line basis. As a result, adjustments to the balance sheet and statement of operations format have been made in applying Article 32 of Legislative Decree No. 127/91, which provides for changes to be made to obtain a more clear, true and correct representation of the financial position and results of operations.

Assets and liabilities, and revenues and expenses, of subsidiaries consolidated on a line-by-line basis are included in the consolidated financial statements of the Group, regardless of the percentage of ownership. Furthermore, carrying values of investments are eliminated against the subsidiaries' related stockholders' equity. The portion of stockholders' equity and results of operations attributed to minority interests are disclosed separately. When losses pertaining to minority interests exceed the value of their share of the relevant capital stock, the excess, or deficit, is charged to the Group, unless the minority stockholders are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should income be realized in the future, the minority interests' share of that income will be attributed to the Group, up to the amount necessary to recover the losses previously attributed to the Group.

Differences arising from the elimination of investments against the related stockholders' equity of the investment at the date of acquisition are allocated to the assets and liabilities of the companies being consolidated, up to the limit of their current value. The residual value, if negative, is recorded as a component of stockholders' equity, "Consolidation reserve", or as a liability, "Consolidation reserve for risks and futures expenses", when due to a forecast of unfavorable economic results. The residual value, if positive, is capitalized as an asset, "Differences on consolidation", and amortized over a period considered consistent with the practices of the sector of business or, alternatively, is deducted from the consolidation reserve up to the amount of the same. The positive difference is set off against the pre-existing consolidation reserve as allowed by Legislative Decree No. 127/91, art. 33, paragraph 3. This is considered a prudent approach since recovery of part of the cost through amortization is not deferred until future years but can immediately be compensated against the pre-existing consolidation reserve or the reserve set up during the year.

The effects of subscribing to capital stock increases at different issue prices for the various classes of stock are recorded as changes in stockholders' equity.

Intercompany profits and losses, not yet realized with third parties, are eliminated net of related tax effects, together with all intercompany receivables, payables, revenues and expenses arising on transactions among the companies consolidated on a line-by-line basis. Exceptions are the gross margins on intercompany sales of plant and equipment produced and sold at prices in line with market conditions, in which case such eliminations would be effectively irrelevant and not cost-beneficial.

Also subject to elimination are guarantees, commitments and risks relating to companies included in the scope of consolidation.

The balance sheets of foreign subsidiaries are translated into euros by applying the exchange rates in effect at year-end. The statements of operations of foreign subsidiaries are translated using the average exchange rates for the year. In the financial statements of subsidiaries operating in high-inflation countries (cumulative inflation in excess of 100% in three years), accounting principles for hyperinflationary economies are used.

Exchange differences resulting from the translation of opening stockholders' equity at current exchange rates and at the exchange rates used at the end of the previous year, as well as differences between net income expressed at average exchange rates and that expressed at current exchange rates, are reflected in the stockholders' equity caption "Cumulative translation adjustments". The exchange rates used are summarized in Note 24.

## ACCOUNTING PRINCIPLES

### **Intangible fixed assets**

Intangible assets and deferred charges expected to benefit future periods are recorded at cost, adjusted by amortization calculated on a straight-line basis at rates that reflect the estimated useful life of the assets over the period to be benefited. In particular, goodwill and differences on consolidation are amortized over a period of no more than 20 years, taking into account their expected period of recovery. In general, the Group's companies periodically review that the carrying value of such assets is not higher than the estimated recovery value, in relation to their use or realization, as determined by reference to the most recent corporate plans. In cases in which there is a permanent impairment in the estimated recovery value that is lower than the carrying value, appropriate writedowns are recorded.

The costs of researching and developing new products and/or processes are mainly included in the results of operations in the period in which such costs are incurred in line with the principle of prudence.

Goodwill is recorded as an asset when acquired for consideration.

### **Property, plant and equipment**

Property, plant and equipment are recorded at purchase or construction cost. These values are adjusted where specific laws of the country in which the assets are located allow or require revaluation, in order to reflect, even if only partially, changes in the purchasing power of the currency. Cost also includes financing expenses incurred during the construction period for specific loans, where significant.

Depreciation is provided on a straight-line basis at rates that reflect the estimated useful life of the related assets.

When, at the balance sheet date, property, plant and equipment show a permanent impairment in value to below their carrying value, such assets are written down to the lower value, according to the method indicated above for intangible fixed assets.

Ordinary repairs and maintenance expenses related to property, plant and equipment are directly charged to the statement of operations in the year in which they are incurred, while maintenance expenses which increase the value of property, plant and equipment are capitalized and depreciated over the estimated useful lives of the assets.

Capital investment grants related to investments in property, plant and equipment are recorded as deferred income when collection becomes certain and credited to income over the useful life of the related asset.

Properties held by insurance companies to cover policy liabilities and accruals are stated at acquisition cost and adjusted by the compulsory law on revaluations imposed on Italian companies; however, the carrying amounts do not exceed market value. Depreciation is determined based on the useful life and expected recovery value.

The revaluation of assets allowed by Law No. 342/2000, having been effected by only a very few Italian companies of the Group, was reversed in the consolidated financial statements, for purposes of giving preference to the uniformity and comparability of the accounting principles over time.



### **Financial fixed assets**

Financial fixed assets include investments in unconsolidated subsidiaries, associated companies and other companies, financial receivables held for investment purposes, other securities and treasury stock.

Investments in unconsolidated subsidiaries, in companies in which the Group exercises joint control with other partners and in associated companies (those in which the Group exercises, directly or indirectly, a significant influence) are normally accounted for using the equity method. This method is not used in cases in which the investor no longer exercises significant influence over the investee, in which case the cost is considered to be the value of the investment taken from the prior year's financial statements.

Investments in other companies are valued at cost of acquisition or contribution value (including accessory charges which increase the investment value). If, at the balance sheet date, the investment value is determined to have suffered a permanent impairment in value to below the cost of acquisition or the contribution value, as defined above, it is written down to the lower value.

Should the reasons for the writedown no longer apply, the value of the investment will be reinstated up to the limit of the cost of acquisition.

Financial receivables are recorded at estimated realizable value.

Securities are recorded at cost of acquisition, including additional direct charges. In the event of permanent impairment, a valuation allowance is provided as a direct reduction of the securities.

Treasury stock held as fixed assets is recorded at purchase cost, including any writedowns resulting from a permanent impairment in its value. A specific reserve for treasury stock is also recorded under stockholders' equity of the Group for the same amount.

Financial fixed assets also include receivables for vehicles sold under finance lease contracts, accounted for at cost. The related depreciation is calculated, according to the financial method, based on the life of the lease and the related risk in managing such contracts.

### **Current assets - Inventories**

Inventories of raw materials, semifinished products, finished goods and contract work in progress completed within the fiscal year are valued at the lower of cost and market value, cost being determined on a First-In First-Out (FIFO) basis or at weighted average cost (for the Worms & Cie Group). The valuation of inventories includes the direct costs of materials and labor and variable and fixed indirect costs. Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value.

Work in progress on long-term contract is valued based on the stage of completion and is recorded gross of advance payments received from customers. Eventual losses on such contracts are fully recorded when they become known.

### **Receivables**

Receivables are recorded at estimated realizable value. Any unearned interest included in the nominal value of financial receivables has been deferred to future periods. Receivables sold to third parties with recourse or without recourse (including those sold as part of securitization transactions) are eliminated from receivables and disclosed in the memorandum accounts. Receivables denominated in foreign currency are translated at the exchange rate in effect at year-end. Resulting exchange gains and losses are included in the statement of operations.

Other receivables also include deposits to guarantee the securitization transactions of trade receivables (securitization refers to particular programs of discounting trade receivables without recourse, with a collateral deposit as a guarantee).

### **Investments, treasury stock and securities recorded in current assets**

These are stated at the lower of the cost of acquisition, including accessory charges, determined using the "Last-In First-Out" (LIFO) method and realizable value. If realizable value can be determined from the market trend, it is defined on the basis of the market prices at the end of the year.

### **Reserves for risks and charges**

The reserves for risks and charges include provisions to cover losses or liabilities likely to be incurred but uncertain as to amount or as to the date on which they will arise.

Restructuring reserves include the costs to carry out corporate reorganization and restructuring plans and are provided in the year the company formally decides to commence such plans and the relative costs can be reasonably estimated.

The policy liabilities and accruals of insurance companies are determined according to the procedures and rules issued by the regulatory agencies in each country in which the individual subsidiaries operate. In particular, unearned property and liability premiums are recognized on the pro-rata basis over the period of the policy. The reserve for unpaid property and liability losses and unpaid adjustment expenses has been calculated on the basis of reasonable estimates of the "latest cost" of the claims, analytically and for groups of particular risks, following adequate statistical and actuarial methods. The policy liabilities and accruals for unpaid losses on life insurance claims are calculated on an actuarial basis, accompanied by an opinion by a qualified actuary on the congruity of the amount.

### **Reserve for employee severance indemnities**

The reserve for employee severance indemnities comprises the liability for severance indemnities that Italian companies accrue each year for employees, as determined in accordance with labor legislation and contracts in force. The liability is calculated in reference to the years of service and the employee's salary and is indexed for inflation, in accordance with art. 2120 of the Italian Civil Code.

### **Reserves for pensions and similar obligations**

As regards the Fiat Group, the reserve for pensions and similar obligations includes provisions for long-service or other bonuses (including pension funds required by some countries in which the Group operates), payable to employees and former employees under contractual agreements or by law, determined on an actuarial basis, where applicable.

As regards the Worms & Cie Group, the reserves include termination pay accrued on behalf of employees, and calculated on the basis of the period of service.

The estimated cost of pensions, calculated periodically by independent experts, is charged to the statement of operations over the average residual service life of the interested employees.

Contributions paid in to the pension funds in excess of the actuarial cost are recorded in other receivables in the assets.

The actuarial valuation of the assets managed by the funds is compared to the benefits provided to employees in service and retired employees. The excess is amortized over the average residual service life of the employees.

### **Payables**

Payables are recorded at face value; the portion of interest included in the nominal amount is deferred until future periods in which it is earned. Accounts payable denominated in foreign currency are translated at the exchange rate in effect at year-end. Resulting exchange gains and losses are included in the statement of operations.

Taxes payable includes the tax charge for the current year recorded in the statement of operations.

### **Accruals and deferrals**

Accruals and deferrals, common to two or more years, are determined using the accrual method based on the income and expense to which they relate.

### **Securitization of financial receivables**

The Fiat Group has programs for discounting financial receivables originated by the financial services companies using securitization transactions. This discounting of financial receivables calls for the sale without recourse of a portfolio of financial receivables to a non-Group securitization vehicle. This company finances the purchase of the portfolio by issuing securities which it backs (Asset Backed Securities). The securities issued are divided into two types having different characteristics: the first is placed on the market, occasionally subdivided by various classes of ratings, and subscribed to by investors; the second, the reimbursement of which is subordinated to the first, is subscribed to by the seller. The risk for the seller is limited to the portion of the securities which it has subscribed. At the end of each accounting period, therefore, such securities are evaluated in relation to the performance of the receivables sold and may be written down on the basis of this evaluation. These securities are recorded in Financial receivables.



Lastly, these sales without recourse require the immediate recognition of the present value of the future margin implicit in the receivables sold, net of discounting costs. This net value is included in the Value of production since it relates to revenues arising out of the normal operations of the financial services companies (to this end, the financial income of such companies is included in revenues from sales and services, as described in the relevant note).

#### **Derivative financial instruments**

Financial instruments used to hedge exchange and interest rate fluctuations and, in general, changes in the assets and liabilities, are presented in Note 13. Derivative financial instruments are recorded at inception in the memorandum accounts at their notional contract amount.

Beginning in 2001 the Fiat Group adopted – to the extent that it is consistent and not in contrast with general principles set forth in the Italian law governing financial statements – the international accounting standard IAS 39 “Financial Instruments: Recognition and Measurement”, applicable beginning January 1, 2001. Such principle covers the accounting treatment of all financial assets and liabilities in and off-balance sheet and, in particular, states that derivative financial instruments should be valued at fair value. Taking into account the restrictions under Italian law (Legislative Decree No. 6/2003), the Group maintains, consistently with Consob rulings, that IAS 39 is immediately applicable only in part and only in reference to the designation of derivative financial instruments as “hedging” or “non-hedging instruments” and with respect to the symmetrical accounting of the result of the valuation of the derivative hedging instrument and the result attributable to the hedged item (“hedge accounting”). The transactions which, according to the Group’s policy for risk management, are able to meet the conditions stated by the accounting principle for hedge accounting treatment are designated as hedging transactions; the others although set up for the purpose of managing risk (inasmuch as the Group’s policy does not permit speculative transactions), have been designated as “trading”.

Details of the accounting treatment adopted are as follows.

For foreign exchange instruments designated as hedges, the premium (or discount, representing the difference between the spot exchange rate at the inception of the contract and the forward exchange rate) is recorded in the statement of operations, in Financial income and expenses, in accordance with the accrual method. As regards these instruments, differences between the value of such instruments using the exchange rates at inception and those at year-end are also included in the statement of operations to offset the exchange effects of the items being hedged. In particular, for contracts entered into to hedge the exchange risk of future transactions that are considered highly probable, the effects of the alignment with the year-end exchange rate are deferred until the year in which the underlying transactions are recorded.

For interest rate instruments designated as hedges, the interest rate differential is included in the statement of operations, in Financial income and expenses, in accordance with the accrual method, offsetting the effects of the hedged transaction.

Derivative financial instruments hedging interest rate fluctuations that are designated as trading instruments are valued at market value and the differential, if negative compared to the contractual value, is recorded in the statement of operations as Financial income and expenses, in accordance with the concept of prudence.

The same prudent principle is followed in recording derivative financial instruments to manage trading risks (for example equity swaps) that do not meet the conditions for hedge accounting treatment.

#### **Revenue recognition**

Revenues from sales and services are recognized on the accrual basis net of returns, discounts, allowances and rebates.

Revenues from sales of products are recognized at the moment title passes to the customer, which is generally at the time of shipment. Under contracts for vehicle sale and buy-back at a specified price, a specific reserve for future risks and charges is set aside based on the difference between the guaranteed residual value and the estimated realizable value of the used asset, taking into account the probability that such option will be exercised; this reserve is set up at the time of the initial sale and adjusted periodically over the period of the contract.

Revenues from services are recorded when they are performed. Revenues from long-term contracts are recognized using the percentage of completion method.

Revenues from sales and services include income from the normal business of the financial services companies. Revenues also include amounts received from financing leases, net of depreciation, and income from company assets on operating leases.

With regard to the Insurance Sector, insurance premiums are recognized on the accrual basis.

### **Costs**

Costs are recognized on an accrual basis.

Research and development costs are principally charged to the statement of operations in the period in which they are incurred. Research-related revenue grants provided by the Government or the EU are credited to the statement of operations when collection becomes certain.

Advertising and promotion expenses are charged to the statement of operations in the year incurred.

Estimated product warranty costs are charged to the statement of operations at the time the sale is recorded.

The costs of production include the interest and expenses in the normal course of business of the financial services companies, as well as insurance claims and other technical costs of the insurance companies.

### **Investment income**

Dividends distributed by companies valued at cost are recorded in the year in which they are declared. The related tax credit is recorded at the time the dividends are received.

On consolidation, tax credits on dividends received by companies consolidated line-by-line or accounted for using the equity method are shown as a reduction of current income taxes.

### **Financial income and expenses**

Financial income and expenses are recorded on the accrual basis. Income and expenses resulting from derivative financial instruments, as well as relevant year-end exchange differences, are included in the statement of operations in accordance with the abovementioned policies disclosed under memorandum accounts.

Costs relating to the discounting of receivables and notes of any type (with recourse, without recourse, securitization) and nature (trade, financial, other) are charged to the statement of operations on the accrual basis.

### **Income taxes**

Income taxes currently payable are provided for in accordance with the existing legislation of the countries in which the Group operates.

Deferred tax liabilities or deferred tax assets are determined on all the temporary differences between the consolidated assets and liabilities and the corresponding amounts for purposes of taxation, including those deriving from the most significant consolidation adjustments. As allowed by the applicable accounting principles, deferred tax assets are also recorded to account for the tax benefit of tax loss carryforwards whenever the specific conditions for future recoverability are met.

In particular, deferred tax assets have only been recorded if there is a reasonable certainty of their future recovery. Deferred tax liabilities are not recorded if it is unlikely that a future liability will arise.

Deferred tax assets and liabilities are offset if they refer to the same company and to taxes which can be compensated. The balance from offsetting the amounts is recorded in other receivables in current assets, if a deferred tax asset, and in the deferred tax reserve, if a deferred tax liability.

## COMPOSITION, PRINCIPAL CHANGES AND OTHER INFORMATION

### 1) Intangible fixed assets

€ in millions	Balance at 12/31/2002 (published)	Consolid. of Fiat and Soiem	Balance at 12/31/2002 (restated)	Additions	Amortiz.	Change in the scope of consolidation	Reclassific.	Foreign exchange effects	Disposals and other changes	Balance at 12/31/2003
Start-up and expansion costs	4	77	81	118	(41)	3	3	(4)	(5)	155
Research, development and advertising expenses	0	18	18	16	(8)	1	(2)	0	(3)	22
Industrial patents and intellectual property rights	0	416	416	45	(107)	(11)	100	(44)	7	406
Concessions, licenses, trademarks and similar rights	26	467	493	51	(97)	(52)	44	(47)	(9)	383
Goodwill	7	229	236	15	(17)	(41)	0	(22)	(12)	159
Intangible assets in progress and advances	18	263	281	175	0	(2)	(154)	(1)	(44)	255
Other intangible assets	8	359	367	119	(95)	(217)	9	(2)	(14)	167
Differences on consolidation	960	3,371	4,331	26	(239)	(517)	0	(409)	(28)	3,164
<b>Total</b>	<b>1,023</b>	<b>5,200</b>	<b>6,223</b>	<b>565</b>	<b>(604)</b>	<b>(836)</b>	<b>0</b>	<b>(529)</b>	<b>(108)</b>	<b>4,711</b>

Details of the composition of intangible fixed assets and the changes during the year, by Group, are as follows:

€ in millions	Balance at 12/31/2002 (published)	Consolid. of Fiat and Soiem	Balance at 12/31/2002 (restated)	Additions	Amortiz.	Change in the scope of consolidation	Reclassific.	Foreign exchange effects	Disposals and other changes	Balance at 12/31/2003
<b>Fiat Group</b>										
Start-up and expansion costs		77	77	107	(37)	3	3	(4)	(5)	144
Research, development and advertising expenses		18	18	16	(8)	1	(2)	0	(3)	22
Industrial patents and intellectual property rights		416	416	44	(106)	(11)	100	(44)	7	406
Concessions, licenses, trademarks and similar rights		467	467	45	(85)	(52)	44	(46)	(26)	347
Goodwill		229	229	14	(17)	(41)	0	(22)	(12)	151
Intangible assets in progress and advances		263	263	160	0	(3)	(153)	0	(21)	246
Other intangible assets		359	359	116	(91)	(218)	8	(1)	(16)	157
Differences on consolidation		3,371	3,371	25	(175)	(529)	0	(409)	(32)	2,251
<b>Total Fiat Group</b>		<b>5,200</b>	<b>5,200</b>	<b>527</b>	<b>(519)</b>	<b>(850)</b>	<b>0</b>	<b>(526)</b>	<b>(108)</b>	<b>3,724</b>
<b>Worms &amp; Cie Group</b>										
Concessions, licenses, trademarks and similar rights	21		21	5	(12)	0	0	(1)	19	32
Intangible assets in progress and advances	17		17	13	0	0	0	(1)	(21)	8
Other intangible assets	3		3	0	(2)	0	0	0	1	2
Differences on consolidation	922		922	1	(59)	2	0	0	5	871
<b>Total Worms &amp; Cie Group</b>	<b>963</b>		<b>963</b>	<b>19</b>	<b>(73)</b>	<b>2</b>	<b>0</b>	<b>(2)</b>	<b>4</b>	<b>913</b>
<b>NHT Group</b>										
Start-up and expansion costs	3		3	0	(1)	0	0	0	0	2
Concessions, licenses, trademarks and similar rights	5		5	0	(1)	0	0	(1)	0	3
Goodwill	7		7	1	0	0	0	0	(1)	7
Intangible assets in progress and advances	1		1	2	0	0	(1)	0	0	2
Other intangible assets	4		4	3	(2)	0	1	0	1	7
Differences on consolidation	38		38	0	(4)	9	0	0	0	43
<b>Total NHT Group</b>	<b>58</b>		<b>58</b>	<b>6</b>	<b>(8)</b>	<b>9</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>64</b>
<b>IFIL Holdings system and intragroup eliminations</b>										
	2	0	2	13	(4)	3	0	0	(4)	10
<b>Total</b>	<b>1,023</b>	<b>5,200</b>	<b>6,223</b>	<b>565</b>	<b>(604)</b>	<b>(836)</b>	<b>0</b>	<b>(529)</b>	<b>(108)</b>	<b>4,711</b>

Major changes, by Group, are described below.

#### **Fiat Group**

Intangible fixed assets are shown net of writedowns of € 614 million (€ 559 million at December 31, 2002), of which € 579 million (€ 545 million at December 31, 2002) relate to goodwill and differences on consolidation. Writedowns made in 2003 amount to € 55 million (€ 559 million in 2002) and are included in the disposals and other changes column.

Start-up and expansion costs at December 31, 2003 consist of deferred plant start-up costs and corporate formation costs of € 60 million (€ 53 million at December 31, 2002) and capital increase costs of € 84 million (€ 24 million at

December 31, 2002). Additions during the year include € 88 million for the capital increase costs of Fiat S.p.A. for € 57 million, Fiat Auto Holdings B.V. for € 17 million, CNH Global N.V. for € 12 million and other minor companies for € 2 million.

Differences on consolidation amount to € 2,251 million at December 31, 2003 and include the net goodwill (net of amortization and writedowns, as described below) on the acquisition of the Case Group and other CNH Group companies for € 2,013 million, the Irisbus Group for € 46 million, Meridian Technologies Inc. for € 25 million, certain Automotive Components Sector companies for € 20 million, certain Production Systems Sector companies for € 46 million, Magneti Marelli Holding S.p.A. for € 18 million and other minor companies for € 32 million, as well as goodwill from the CNH Global N.V. capital increase effected in 2000 for € 51 million.

As regards the amounts recorded in goodwill and differences on consolidation, amortization is charged over periods ranging from five to twenty years, on the basis of the expected recoverability of these amounts. At the end of the year, however, specific reviews were conducted to verify whether such amounts are recoverable by considering the existing prospects of earnings. From the analyses performed, taking into consideration the changed market conditions, the restructuring plans initiated by certain Sectors of the Group and the consequent impact on the business plans of various Sectors, permanent impairments in value were identified at December 31, 2003 that gave rise to writedowns totaling € 38 million (€ 533 million at December 31, 2002).

### **Worms & Cie Group**

The balance of intangible fixed assets of € 913 million at December 31, 2003 mainly includes the residual difference on consolidation on the purchase of the ex-AWA Group (€ 862 million) which is being amortized over 20 years.

### **NHT Group**

The differences on consolidation regarding the subsidiaries of the NHT Group are amortized over five years; differences on consolidation relating to the companies owning the resorts in the Maldives are amortized on the straight-line basis over the life of the concession rights (from six to 16 years) received from the government for the use of the islands for tourism purposes. It should be pointed out that such concession rights were renewed up to 2015 with an outlay of approximately US\$ 3 million.

The change in the scope of consolidation, equal to € 9 million, is mainly due to the acquisition of the 60% investment in Altamarea V&H Compagnia Alberghiera S.r.l. (€ 2 million) and the line-by-line consolidation of Viaggidea S.p.A. (€ 7 million), after full control was acquired on October 31, 2003.

## **2) Property, plant and equipment**

€ in millions	Balance at	Consolid.	Balance at			Change in	Foreign	Disposals		Accumulated	
	12/31/2002	of Fiat	12/31/2002	Addit.	Deprec.	the scope	exchange	and other	Balance at	am. and writ.	
	(published)	and Soiem	(restated)			of consol.	effects	changes	12/31/2003	12/31/2003	
Land and buildings	429	3,810	4,239	69	(174)	(746)	36	(139)	(168)	<b>3,117</b>	<b>2,175</b>
Plant and machinery	7	3,721	3,728	307	(615)	(119)	288	(93)	(95)	<b>3,401</b>	<b>7,498</b>
Industrial and commercial equipment	671	1,511	2,182	519	(711)	4	306	(81)	(115)	<b>2,104</b>	<b>7,522</b>
Other assets	56	2,095	2,151	487	(379)	(702)	6	(81)	(119)	<b>1,363</b>	<b>1,803</b>
Construction in progress and advances	46	977	1,023	778	0	136	(636)	(39)	(434)	<b>828</b>	<b>0</b>
<b>Total property, plant and equipment</b>	<b>1,209</b>	<b>12,114</b>	<b>13,323</b>	<b>2,160</b>	<b>(1,879)</b>	<b>(1,427)</b>	<b>0</b>	<b>(433)</b>	<b>(931)</b>	<b>10,813</b>	<b>18,998</b>

Details of the composition of property, plant and equipment and the changes during the year, by Group, are as follows:

€ in millions	Balance at 12/31/2002 (published)	Consolid. of Fiat and Soiem	Balance at 12/31/2002 (restated)	Addit.	Deprec.	Change in the scope of consol.	Reclass.	Foreign exchange effects	Disposals and other changes	Balance at 12/31/2003	Accumulated amort./writed. 12/31/2003
<b>Fiat Group</b>											
Land and buildings		3,801	3,801	60	(150)	(730)	36	(121)	(160)	2,736	1,903
Plant and machinery		3,721	3,721	305	(613)	(118)	288	(92)	(98)	3,393	7,492
Industrial and commercial equipment		1,511	1,511	475	(623)	3	306	(49)	(119)	1,504	6,297
Other assets		2,095	2,095	480	(364)	(507)	6	(78)	(318)	1,314	1,674
Construction in progress and advances		978	978	691	0	(65)	(636)	(37)	(203)	728	0
<b>Total Fiat Group</b>		12,106	12,106	2,011	(1,750)	(1,417)	0	(377)	(898)	9,675	17,366
<b>Worms &amp; Cie Group</b>											
Land and buildings	322	-	322	6	(20)	(5)	0	(15)	1	289	252
Industrial and commercial equipment	669	-	669	44	(89)	1	0	(31)	5	599	1,224
Other assets	41	-	41	6	(13)	6	0	(1)	0	39	114
Construction in progress and advances	39	-	39	64	0	0	0	(2)	(33)	68	0
<b>Total Worms &amp; Cie Group</b>	1,071	-	1,071	120	(122)	2	0	(49)	(27)	995	1,590
<b>NHT Group</b>											
Land and buildings	108	-	108	1	(4)	(12)	(3)	(4)	(6)	80	17
Plant and machinery	7	-	7	1	(1)	(1)	3	(1)	0	8	5
Industrial and commercial equipment	2	-	2	0	0	(2)	0	0	1	1	1
Other assets	15	-	15	2	(2)	0	0	(3)	0	12	15
Construction in progress and advances	6	-	6	25	0	0	0	0	0	31	0
<b>Total NHT Group</b>	138	-	138	29	(7)	(15)	0	(8)	(5)	132	38
IFIL Holdings System and intragroup eliminations	0	8	8	0	0	3	0	1	(1)	11	4
<b>Total</b>	1,209	12,114	13,323	2,160	(1,879)	(1,427)	0	(433)	(931)	10,813	18,998

Major changes, by Group, are described below.

#### **Fiat Group**

Property, plant and equipment include revaluations required or allowed by national laws, which, net of related accumulated depreciation, amount to € 231 million at December 31, 2003 (€ 288 million at December 31, 2002).

No interest expenses were capitalized in 2003 or in 2002.

The change in the scope of consolidation shows a negative amount of € 1,417 million owing to the sale of the Toro Assicurazioni Group (-€ 582 million), Fraikin (-€ 514 million) and FiatAvio S.p.A. (-€ 326 million), as well as a positive balance due to the inclusion and exclusion of other minor companies in consolidation (€ 5 million).

Reclassifications refer to a reduction in construction in progress and advances on purchases of property, plant and equipment existing at the end of the prior year which were reclassified at the time they were effectively acquired and put into operation.

Disposals and Other changes, which have a negative balance of € 898 million, include, in the land and buildings category, € 160 million relating in part to the sale of non-strategic properties. Furthermore, this item includes the writedowns recorded during the year. In fact, as with intangible fixed assets, the estimated recoverable amounts of property, plant and equipment were analyzed, in terms of the value in use or realizable value, based upon the most recently updated company plans, which take into consideration the changed market conditions and the restructuring plans initiated by certain Sectors of the Group. As a result of those analyses, property, plant and equipment were written down by € 351 million (€ 227 million in 2002), divided by Sector as follows: Automobiles € 312 million, Commercial Vehicles € 6 million, Metallurgical Products € 16 million, Automotive Components € 7 million and other minor companies € 10 million. This item also comprises disposals relating to assets on operating leases of € 289 million.

Other assets include vehicles on operating leases for € 914 million at December 31, 2003 (€ 1,585 million at December 31, 2002), mainly relating to long-term leases. The reduction of € 671 million includes € 466 million due to the sale of Fraikin.

#### **Worms & Cie Group**

Property, plant and equipment include assets under finance leases for € 125 million (€ 135 million at December 31, 2002).

The depreciation of property, plant and equipment includes € 11 million of extraordinary depreciation.

#### **NHT Group**

The change in the scope of consolidation is principally the result of the first-time line-by-line consolidation of Altamarea V&H Compagnia Alberghiera (€ 4 million), the sale of the subsidiary Blumarini S.p.A., owner of the hotel complex Hotel "Abi D'Oru" in Sardinia (€ 18 million), and the sale of the buildings located in Turin, Milan and Trieste owned by Alpitour (€ 6 million).

The Group has ensured the use of the "Abi d'Oru" complex by signing a 15-year lease contract with the buyer company.

Investments mainly include the costs for the construction work on a new tourist resort in Sicily, in Arenella (province of Siracusa) for € 24 million, as well as the financial charges related specifically to the financing secured for the building work (€ 0.2 million).

Mortgages are carried by financial institutions on certain buildings held by the NHT Group (mainly tourism resorts) for € 6 million.

The residual net book value of monetary revaluations effected in prior years on buildings held by the NHT Group, as allowed by specific laws, amount to € 0.6 million.

The depreciation rates used for property, plant and equipment are within the following ranges:

	Minimum	Maximum
Land and buildings	1%	10%
Industrial and commercial equipment	5%	28%
Plant and machinery	8%	21%
Other assets	4%	33%

### **3) Financial fixed assets**

#### **Investments**

€ in millions	Balance at 12/31/2002 (published)	Consolid. of Fiat and Soiem	Balance at 12/31/2002 (restated)	Equity in earnings	Equity in losses	Change in the scope of consolid.	Acquisitions and Capitalizations	Foreign exchange effects	Disposals and Other changes	Balance at 12/31/2003
Unconsolidated subsidiaries	11	558	569	16	(160)	(23)	149	(28)	5	<b>528</b>
Associated companies	2,068	1,906	3,974	204	(77)	535	82	(70)	(362)	<b>4,286</b>
Other companies	674	683	1,357	1	(8)	(492)	123		(37)	<b>944</b>
<b>Total investments</b>	<b>2,753</b>	<b>3,147</b>	<b>5,900</b>	<b>221</b>	<b>(245)</b>	<b>20</b>	<b>354</b>	<b>(98)</b>	<b>(394)</b>	<b>5,758</b>

Equity in earnings and Equity in losses include the Group's share of the income or the loss of companies accounted for using the equity method, the amortization of the differences on consolidation and the loss in value of the companies accounted for at cost.

Details of the composition of financial fixed assets and the changes during the year, by Group, are as follows:

€ in millions	Balance at 12/31/2002 (published)	Consolid. of Fiat and Soiem	Balance at 12/31/2002 (restated)	Equity in earnings	Equity in losses	Change in the scope of consolid.	Acquisitions and Capitalizations	Foreign exchange effects	Disposals and Other changes	Balance at 12/31/2003
<b>IFIL Holdings System</b>										
Unconsolidated subsidiaries	0	0	0	0	(10)	0	141	0	(43)	<b>88</b>
Associated companies	1,499	(816)	683	81	(10)	(1)	0	0	(286)	<b>467</b>
Other companies	559	1	560	0	0	(1)	108	0	(8)	<b>659</b>
Total investments	2,058	(815)	1,243	81	(20)	(2)	249	0	(337)	<b>1,214</b>
<b>Fiat Group</b>										
Unconsolidated subsidiaries		558	558	16	(150)	(14)	7	(28)	46	<b>435</b>
Associated companies		2,722	2,722	74	(45)	536	29	(59)	(55)	<b>3,202</b>
Other companies		682	682	1	(5)	(491)	11	0	59	<b>257</b>
Total investments		3,962	3,962	91	(200)	31	47	(87)	50	<b>3,894</b>
<b>Worms &amp; Cie Group</b>										
Unconsolidated subsidiaries	2	-	2	0	0	0	0	0	0	<b>2</b>
Associated companies	564	-	564	49	(22)	0	53	(11)	(20)	<b>613</b>
Other companies	115	-	115	0	(3)	0	4	0	(88)	<b>28</b>
Total investments	681	-	681	49	(25)	0	57	(11)	(108)	<b>643</b>
<b>NHT Group</b>										
Unconsolidated subsidiaries	9	-	9	0	0	(9)	1	0	2	<b>3</b>
Associated companies	5	-	5	0	0	0	0	0	(1)	<b>4</b>
Total investments	14	-	14	0	0	(9)	1	0	1	<b>7</b>
<b>Total investments of IFIL Group</b>	<b>2,753</b>	<b>3,147</b>	<b>5,900</b>	<b>221</b>	<b>(245)</b>	<b>20</b>	<b>354</b>	<b>(98)</b>	<b>(394)</b>	<b>5,758</b>

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

#### **IFIL Holdings System**

Acquisitions and capitalization total € 249 million and include the economic value of the contribution made by the parent company, IFI, of 62.01% of the capital stock of Juventus Football Club (€ 137 million), accounted for using the equity method, 1.13% of the capital stock of SANPAOLO IMI (€ 108 million) and warrants 2007 on Fiat ordinary shares (€ 4 million), valued at cost.

The Disposals and Other changes column show the posting of a reduction in the consolidation reserve for a part of the difference on consolidation (-€ 43 million) regarding Juventus Football Club; the remaining difference on consolidation (€ 40 million) is being amortized prorata over ten years.

Other changes in associated companies (-€ 286 million) mainly refer to the distribution of reserves and dividends by Eurofind (-€ 264 million) and the sale of the 25% equity interest in Sifalberghi S.r.l. (-€ 7 million).

#### **Fiat Group**

The Change in the scope of consolidation can be analyzed as follows:

- investments in unconsolidated subsidiaries: the decrease is due to the line-by-line consolidation of the companies B.D.C. & Co. Société en Commandite Simple (-€ 8 million), New City Car S.A. (-€ 2 million) and other minor companies (-€ 4 million);
- investments in associated companies: the caption includes the effects consequent to the exclusion from the scope of consolidation of the companies now accounted for using the equity method and the investments held by companies that were sold during the year; the change particularly refers to: Fidis Retail Italia S.p.A. (€ 376 million), Naveco Ltd. (€ 122 million), IPI S.p.A. (€ 16 million), Toro Targa Assicurazioni S.p.A. (€ 15 million), Transolver Finance Establecimiento Financiero de Credito S.A. (€ 12 million), Fidis Bank G.m.b.H. (€ 3 million), IN ACTION S.r.l. (€ 2 million), the company Atla S.r.l. owned by FiatAvio S.p.A. (-€ 4 million), investments held by IPI S.p.A. (-€ 5 million) and other minor companies (-€ 1 million);
- investments in other companies: the decrease is mainly due to the exclusion from the scope of consolidation of Capitalia S.p.A. (-€ 481 million), a Toro Assicurazioni Group holding and other minor companies (-€ 10 million).



Acquisitions and capitalizations refer principally to the following:

- investments in unconsolidated subsidiaries: capitalization of the company Cofap Companhia Fabricadora de Pecas LTDA (€ 5 million) and other minor companies (€ 2 million);
- investments in associated companies: capitalizations of the companies CNH Capital Europe S.A.S. (€ 10 million), Toro Targa Assicurazioni S.p.A. (€ 9 million), Mako Elektrik Sanay Ve Ticaret A.S. (€ 4 million), and other minor companies (€ 6 million);
- investments in other companies: acquisition of the companies Gas Turbine Technologies S.p.A. (€ 6 million), IPSE 2000 S.p.A. (€ 3 million) and other minor companies (€ 2 million).

Disposals and Other Changes refer mainly to:

- investments in unconsolidated subsidiaries: effect of the line-by-line consolidation of Atlanet S.p.A. (€ 56 million) and other minor companies (-€ 10 million);
- investments in associated companies: sale of E.D.M. S.r.l. (-€ 8 million), Johnson Matthey Argentina S.A. (-€ 3 million) and other companies (-€ 44 million);
- investments in other companies : the increase, net of minor variations for -€ 6 million, is due to the subscription of the Edison S.p.A. capital increase, equal to € 65 million, through the conversion of the rights subscribed to in 2002.

### **Worms & Cie Group**

Acquisitions refer to the purchase of SGS Société Générale de Surveillance shares for € 53 million, which brings the Worms & Cie Group's holding to 24.27% of the outstanding capital stock of SGS.

Disposals and Other Changes refer mainly to the sale of 1.3% of Groupe Danone shares (-€ 88 million).

### **Investments in unconsolidated subsidiaries**

€ in millions	%	12/31/2003	%	12/31/2002 (restated)	Change	12/31/2002 (published)
<b>IFIL Holdings System</b>						
Juventus Football Club S.p.A.	62.0	84	62.0	0	84	
Warrants 2007 on Fiat ordinary shares	-	4	-	0	4	
		<b>88</b>		<b>0</b>	<b>88</b>	
<b>Fiat Group</b>						
Buc- Banca Unione di Credito	100.0	340	100.0	361	(21)	
Leasys S.p.A.	51.0	36	51.0	112	(76)	
Fiat Group - sundry unconsolidated subsidiaries		59		85	(26)	
		<b>435</b>		<b>558</b>	<b>(123)</b>	<b>0</b>
<b>Worms &amp; Cie Group - sundry companies</b>	-	<b>2</b>	-	<b>2</b>	<b>0</b>	<b>2</b>
<b>NHT Group - sundry companies (a)</b>	-	<b>3</b>	-	<b>9</b>	<b>(6)</b>	<b>9</b>
<b>Total investments in unconsolidated subsidiaries</b>		<b>528</b>		<b>569</b>	<b>(41)</b>	<b>11</b>

(a) The carrying value at December 31, 2003 includes the goodwill paid on the acquisition of the 30% stake in the company Promoviaggi for € 2 million.

### **Unconsolidated subsidiaries of the Fiat Group**

As allowed by law, the above companies have not been consolidated either because their operations are so dissimilar (BUC – Banca Unione di Credito) or because it would not have been possible to obtain the necessary information for their consolidation on a timely basis without disproportionate expense or because their operations are not significant. Such companies show a negative net financial position of € 297 million (€ 164 million at December 31, 2002).

As regards the investment in Leasys S.p.A., this company is subject to joint control with the other partner, even though the Fiat Group holds 51% of capital stock; like the other principal jointly controlled companies (which, instead are included in the associated companies), this investment is accounted for using the equity method.



## Investments in associated companies

€ in millions	12/31/2003	12/31/2002 (restated)	Change	12/31/2002 (published)
<b>IFIL Holdings System</b>				
Eurofind Group	467	676	(209)	676
Sifalberghi S.r.l. (a)	0	7	(7)	7
Fiat S.p.A. (b)	0	0	0	806
Soiem S.p.A. (b)	0	0	0	10
	<b>467</b>	<b>683</b>	<b>(216)</b>	<b>1,499</b>
<b>Fiat Group</b>				
Fiat -GM Powertrain B.V.	1,172	1,189	(17)	
Italenergia Bis S.p.A.	512	481	31	
Fidis Retail Italia S.p.A. (c)	372	-	372	
Tofas Turk Otomobil Fabrikasi A.S.	156	136	20	
Sevel S.p.A.	118	125	(7)	
Kobelco Construction Machinery Co. Ltd	103	107	(4)	
Naveco Ltd. (d)	102	-	102	
Rizzoli Corriere della Sera MediaGroup S.p.A. (già H.d.P. S. p.A.)	99	98	1	
Consolidated Diesel Company	54	59	(5)	
Jiangsu Nanya Auto Co. Ltd	54	55	(1)	
Société Européenne de Véhicules Légers du Nord - Sevelnord				
Société Anonyme	49	47	2	
Fiat Group - sundry companies	411	425	(14)	
	<b>3,202</b>	<b>2,722</b>	<b>480</b>	
<b>Worms &amp; Cie Group</b>				
SGS Société Générale de Surveillance S.A.	560	512	48	512
WORMS & Cie Group - sundry companies	53	52	1	52
	<b>613</b>	<b>564</b>	<b>49</b>	<b>564</b>
<b>NHT Group - sundry companies</b>				
	<b>4</b>	<b>5</b>	<b>(1)</b>	<b>5</b>
<b>Total associated companies</b>	<b>4,286</b>	<b>3,974</b>	<b>312</b>	<b>2,068</b>

(a) Sold to the Accor Group in August 2003.

(b) Consolidated on a line-by-line basis since 2003.

(c) Consolidated on a line-by-line basis in 2002.

(d) Consolidated proportionally in 2002.

### Associated companies of the IFIL Holdings System

At December 31, 2003, the carrying value of the investment in the Eurofind Group, controlled jointly by the IFIL Group and the Auchan Group, includes the residual difference on consolidation of € 156 million generated by purchases of La Rinascente shares, which is being amortized over 20 years. The reduction in the carrying value of the investment in Eurofind is mainly due to its distribution of profits and reserves at the end of 2003.

The aggregate net indebtedness of Eurofind and the Rinascente Group at December 31, 2003 amounts to € 467 million.

### Associated companies of the Fiat Group

The Fiat Group also holds certain companies under joint control, the most important of which are Fiat-GM Powertrain B.V., Sevel S.p.A., Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme and Naveco Ltd. Such companies show a negative net financial position of € 1,093 million (€ 2,480 million at December 31, 2002).

### Fiat-GM Powertrain

Fiat-GM Powertrain B.V. is an industrial joint venture for the manufacture of engines and gears for cars that was set up in the second half of 2001 between Fiat and General Motors Corporation (General Motors) under the well-known strategic alliance. The key figures taken from the financial statements of Fiat-GM Powertrain, drawn up in accordance with the accounting principles of the Group for the valuation of the investment using the equity method at December 31, 2003 and 2002 are as follows:

€ in millions	12/31/2003	12/31/2002
<b>Balance sheet data</b>		
Fixed assets	3,250	3,416
Total assets	6,611	6,681
Financial payables	(1,452)	(1,695)
Stockholders' equity	2,344	2,377

€ in millions	2003	2002
<b>Statement of operations data</b>		
Net sales	6,598	6,624
Operating income	296	280
Net income	180	131

In view of the strictly industrial nature of the joint venture and in order to achieve a reading of its industrial performance that is consistent with the past, since 2001 and during the period in which the industrial convergence and the relative synergies are being implemented (estimated at less than three years), the Group's share of the results of the company is included in the consolidated statement of operations as a split between the operating/industrial component and the other non-operating components. In particular, the Group's share of the operating result of the company (€ 147 million in 2003, € 143 million in 2002 and € 47 million in the second half of 2001), determined by the transfer pricing policy adopted, is included in the consolidated statement of operations as an adjustment to the cost of the products purchased from the joint venture, whereas the share of the result in the other non-operating components is allocated to the respective principal captions, without effect on the total net result recorded by the Group. As far as Fiat-GM Powertrain's balance sheet is concerned, with regard to the debt position, there are no commitments or guarantees provided by Fiat.

### Italenergia Bis

With reference to the investment in Italenergia Bis S.p.A., during the second half of 2002, the Fiat Group sold a 14% holding to certain other stockholders of the company (Banca Intesa, IMI Investimenti and Capitalia, hereinafter the "Banks") for € 548 million, realizing a gain of € 189 million. The related sales contracts and the contemporaneous agreements with another stockholder of Italenergia Bis (Electricité de France, hereinafter "EDF") provide, among other things, that:

- by virtue of an option acquired in respect of EDF (the so-called EDF Put), Fiat may elect, between March and April 2005, to sell the shares it still holds in Italenergia Bis (223,151,568 shares, equal to 24.6%,) to EDF, at a price corresponding to the value of the investment, as estimated on the basis of the valuations performed by three experts appointed for that purpose. That price, less a premium of € 127 million, payable only in the event the option is exercised, may not be less than a minimum (floor) of € 1,147 million, or € 5.141698 per share;
- in connection with the EDF Put, the Banks (in addition to the put agreements negotiated independently with EDF for their respective initial holdings in Italenergia Bis) obtained a so-called "tag along/drag along" agreement from Fiat, and Fiat arranged a symmetrical Put/Call contract with EDF (conditional upon the prior exercise of the EDF Put by Fiat) that gives rise to two scenarios:
  - a) Fiat independently exercises the EDF Put on its own 24.6% holding and in this case:
    - the Banks exercise the "tag along" under which the Banks each sell their own 4.66% holding to Fiat under the same price conditions as the EDF Put (valuation at fair market value, minimum floor of

- € 5.141698 per share). Fiat, in turn, sells the acquired shares to EDF, making use of the put clauses in the Put/Call arranged with EDF;
- the corresponding “drag along” allows Fiat to reacquire the Banks’ shares in any case and to surrender them to EDF which in turn has, by means of the call clauses in the Put/Call, the right to ask Fiat to acquire and surrender the shares. In substance, by means of the call, EDF may (providing that Fiat exercised the EDF Put, which is a condition for the Put/Call) acquire the entire original Fiat investment;
- b) Fiat does not independently exercise the EDF Put on its own 24.6% holding and in this case:
  - the individual Banks, separately, have the right to request Fiat to exercise its Put on EDF which allows the Banks to exercise the “tag along”, as described above, and to realize a gain;
  - Fiat may elect not to exercise the EDF Put, as instead requested, and the Banks have the right to ask that Fiat purchase from the same Banks their respective 4.66% holdings at the lower of the price determined pursuant to the EDF Put, in accordance with the same criteria and procedures agreed with EDF, and € 6.5 per share;
  - Fiat does not have a call right on the Banks’ holdings which were sold to the Banks definitively.

In conclusion, the 14% holding in Italergeria Bis sold by Fiat is subject to Put options exercisable in 2005 by each of the Banks. Nevertheless, the effects of the sale were considered final and the resulting gain realized in the previous year, in that Fiat had contemporaneously stipulated a put option with EDF that will give it the right, in the event that the Banks ask to purchase said shares, to sell them in turn to EDF at the same price conditions as the EDF Put.

#### Fidis Retail Italia (“FRI”)

With reference to the associated company Fidis Retail Italia S.p.A. (“FRI”), this company was set up to take over the European activities of the Automobile Sector in the area of consumer financing for retail automobile purchases. To this end, those activities, performed by the various companies operating in the different countries in Europe, were gradually sold to FRI, after obtaining the necessary authorizations from the local regulatory agencies. As envisaged by the Framework Agreement signed on May 27, 2002 by Fiat and the “Money Lending Banks” (Capitalia, Banca Intesa, SANPAOLO IMI and later Unicredito Italiano), on May 27, 2003, the Fiat Group sold 51% of FRI’s shares and, as a result, the relative control, to Synesis Finanziaria S.p.A., an Italian company held equally by the four Banks, at the price of € 370 million. This transaction led to a loss of € 15 million that had already been set aside in a specific reserve for risks in the consolidated financial statements at December 31, 2002, based upon the binding agreements signed by the parties at that time. The sale contract calls for Put and Call options that can be summarized as follows:

- call option by Fiat to purchase 51% of Fidis Retail Italia, held by Synesis Finanziaria, exercisable twice a year (in January and July) up to January 31, 2006 at a price increased *pro rata temporis* over the sales price plus additional payments less any distributions;
- Synesis Finanziaria’s right to ask Fiat to exercise the above purchase option on 51% of Fidis Retail Italia in the event of which, by January 31, 2006, there is a change in control of Fiat or Fiat Auto (also through the sale of a substantial part of the companies owned by Fiat Auto or one of its brands Fiat, Alfa and Lancia) as set forth in the relative stockholders agreement between Fiat, Synesis Finanziaria and the four money lending banks;
- so-called “tag along” option on behalf of Synesis Finanziaria if the same events referred to in the preceding point occur after January 31, 2006;
- so-called “drag along” option on behalf of Fiat Auto in the event of the sale of the investment after January 31, 2006.

As a result of the transaction, FRI was deconsolidated and has repaid all the loans it previously obtained from the centralized treasury department of the Fiat Group.

Lastly, it should be mentioned that previous to the negotiations with the four Money Lending Banks, the control of FRI had been offered to General Motors, which, as established by the Master Agreement, had the “Right of First Refusal”.

#### **Associated companies of the Worms & Cie Group**

The carrying value of the investment in SGS Société Générale de Surveillance S.A. includes the difference on consolidation of € 393 million which is being amortized over 20 years (€ 376 million at December 31, 2002). The increase is due to the share purchases made during 2003.

## Investments in other companies

€ in millions	12/31/2003	12/31/2002 (restated)	Change	12/31/2002 (published)
<b>IFIL Holdings System</b>				
SANPAOLO IMI S.p.A.	620	512	108	512
Club Méditerranée S.A. (a)	35	35	0	35
Other unlisted investments	4	13	(9)	12
	<b>659</b>	<b>560</b>	<b>99</b>	<b>559</b>
<b>Fiat Group</b>				
Mediobanca S.p.A.	93	93	0	
Edison S.p.A.	65	0	65	
Other unlisted investments	99	108	(9)	
Capitalia S.p.A.	0	481	(481)	
	<b>257</b>	<b>682</b>	<b>(425)</b>	
<b>Worms &amp; Cie Group</b>				
Accor S.A.	23	21	2	21
Other unlisted investments	5	7	(2)	7
Groupe Danone S.A.	0	87	(87)	87
	<b>28</b>	<b>115</b>	<b>(87)</b>	<b>115</b>
<b>Total other companies</b>	<b>944</b>	<b>1,357</b>	<b>(413)</b>	<b>674</b>

(a) Net of writedowns of € 86 million made in previous years.

The carrying value of investments in other listed companies is lower than the market prices at December 31, 2003.

## Financial fixed assets – Receivables

€ in millions	12/31/2003				12/31/2002 (restated)				12/31/2002 (published)			
	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
From associated companies	1	0	1	0	1	0	1	0	1	0	1	0
From others	18	163	181	129	27	174	201	139	8	146	154	137
<b>Total receivables</b>	<b>19</b>	<b>163</b>	<b>182</b>	<b>129</b>	<b>28</b>	<b>174</b>	<b>202</b>	<b>139</b>	<b>9</b>	<b>146</b>	<b>155</b>	<b>137</b>

Details, by Group, are as follows:

€ in millions	12/31/2003				12/31/2002 (restated)				12/31/2002 (published)			
	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
<b>Fiat Group</b>												
Receivables from others	4	25	29	2	19	28	47	2				
	<b>4</b>	<b>25</b>	<b>29</b>	<b>2</b>	<b>19</b>	<b>28</b>	<b>47</b>	<b>2</b>				
<b>Worms &amp; Cie Group</b>												
Receivables from others	8	124	132	124	0	134	134	134	0	134	134	134
	<b>8</b>	<b>124</b>	<b>132</b>	<b>124</b>	<b>0</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>0</b>	<b>134</b>	<b>134</b>	<b>134</b>
<b>NHT Group</b>												
Receivables from associated companies	1	0	1	0	1	0	1	0	1	0	1	0
Receivables from others	6	14	20	3	8	12	20	3	8	12	20	3
	<b>7</b>	<b>14</b>	<b>21</b>	<b>3</b>	<b>9</b>	<b>12</b>	<b>21</b>	<b>3</b>	<b>9</b>	<b>12</b>	<b>21</b>	<b>3</b>
<b>Total receivables</b>	<b>19</b>	<b>163</b>	<b>182</b>	<b>129</b>	<b>28</b>	<b>174</b>	<b>202</b>	<b>139</b>	<b>9</b>	<b>146</b>	<b>155</b>	<b>137</b>

Financial receivables by the Fiat Group are shown in the financial statements net of the allowances for doubtful accounts of € 5 million (€ 4 million at December 31, 2002), with a provision of € 1 million during the year 2003. Financial receivables recorded in the financial statements at December 31, 2003 approximate their fair values which have been calculated using the present value method, based on a discount rate which reflects market conditions, the duration and the risk of insolvency.

Financial receivables by the Worms & Cie Group include the loan made by ArjoWiggins to the buyers of Appleton Papers Inc. for the remaining period of six years, repayable at the expiry date. The nominal value of the receivable totals US\$ 321 million. The amount recorded (€ 124 million) represents the present value of the loan calculated at an implicit rate of interest of 12%.

Financial receivables by the NHT Group total € 21 million and include loans granted to companies operating hotels and suppliers providing tourist services, earning interest at floating rates based on the Euribor and Libor (€ 11 million), security deposits (€ 8 million) to guarantee exclusive marketing contracts for the tourist resorts in the Maldives and in Tunisia, earning interest on floating rates based on the Euribor and Libor (of which € 3 million is due beyond five years), as well as other receivables (€ 2 million).

#### Financial fixed assets – Other securities

€ in millions	12/31/2003	12/31/2002 (restated)	Change	12/31/2002 (published)
<b>Fiat Group</b>				
Government securities and bonds held by industrial companies	56	134	(78)	
Government securities and bonds held by insurance companies	0	2,311	(2,311)	
	<b>56</b>	<b>2,445</b>	<b>(2,389)</b>	
<b>Worms &amp; Cie Group - Government securities and bonds</b>	<b>23</b>	<b>14</b>	<b>9</b>	<b>14</b>
<b>IFIL Holdings System - Ocean Club Méditerranée bonds</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>4</b>
<b>Total other securities</b>	<b>84</b>	<b>2,463</b>	<b>(2,379)</b>	<b>18</b>

Other securities of the Fiat Group are shown in the financial statements net of allowances for writedowns of € 32 million (€ 2 million at December 31, 2002). The writedown refers to the adjustment of the securities to estimated realizable value.

The Ocean Club Méditerranée bonds mature on November 1, 2008 and earn annual interest of 3% and give the right, at maturity, to subscribe to the same number of Club Méditerranée shares at a unit price of € 58 or to receive a total reimbursement of € 5.2 million.

#### Financial fixed assets – Treasury stock

The following transactions in treasury stock were entered into by IFIL during 2003:

	Number of shares	Prices	
		Per share (€)	Total (€ in millions)
<b>IFIL ordinary shares</b>			
Balance at 12/31/2002	3,946,896	4.13	17
Change due to the line-by-line consolidation of Soiem	810,262	3.41	3
Conversion from savings shares	7,170,252	3.54	25
<b>Balance at 12/31/2003</b>	<b>11,927,410</b>	<b>3.73</b>	<b>45</b>
<b>IFIL savings shares</b>			
Balance at 12/31/2002	8,435,575	3.01	25
Purchases	14	-	-
Conversion into ordinary shares	(8,435,589)	-	(25)
<b>Balance at 12/31/2003</b>	<b>0</b>		<b>0</b>
<b>Total treasury stock</b>	<b>11,927,410</b>	<b>3.73</b>	<b>45 (a)</b>

(a) Net of writedowns of € 19 million made in previous years.

IFIL treasury stock in portfolio at December 31, 2003 has a par value of € 11,927 thousand and represents 1.15% of the class of stock and 1.11% of capital stock.

On the basis of the average market prices for the second half of 2003 (€ 2.33), there is an unrealized loss on IFIL ordinary shares of € 17 million, which decreases significantly (€ 11 million) when considering the average market prices for the period March 1 to March 17, 2004 (€ 2.84).

Such unrealized loss is not considered representative of a permanent decline in value taking into account that the per share carrying value of IFIL ordinary shares (€ 3.73) is in any case substantially in line with the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2003 (€ 3.68).

#### Financial fixed assets – Finance lease contracts receivable

Net amount 12/31/2002 (restated)	Additions	Financial amortization	Foreign exchange effects	Change in the scope of consolidation	Disposal and Other changes	Net amount 12/31/2003	Accumulated amort. and writed. 12/31/2003
2,947	1,112	(528)	(31)	(1,485)	(218)	1,797	1,036

Finance lease contracts receivable refer to vehicles sold by the Automotive Sectors of the Fiat Group under finance leases. The reduction of € 1,150 million compared to December 31, 2002 is principally due to the Change in the scope of consolidation following the sale of the majority interest in Fidis Retail Italia.

Finance lease contracts receivable do not include vehicles on operating leases, which are included under Property, plant and equipment.

#### Other financial fixed assets

These total € 315 million (€ 359 million at December 31, 2002) and refer to the Worms & Cie Group. They comprise:

- the deposit of € 110 million lodged with a leading banking institution which partially earns interest. The deposit was made by the Worms & Cie Group within the framework of the loans given to the buyers of Appleton Papers Inc. in order to guarantee the disbursing banks against the risk of an eventual acceleration of the indemnities connected with the dispute over the environmental risks to the Fox River;
- the deposit of € 92 million, made for the fine levied on Arjo Wiggins Appleton by the European Commission for alleged violations of fair trade practices;
- the deposit of € 111 million made by Arjo Wiggins Appleton to guarantee the commitments under financial lease transactions;
- other receivables of € 2 million.

Additional information is provided in the section "Pending litigation".

#### 4) Current assets - Inventories

€ in millions	12/31/2003			12/31/2002 (restated)			12/31/2002 (published)		
	Gross	Allowance	Net	Gross	Allowance	Net	Gross	Allowance	Net
Raw materials and supplies	1,480	(221)	1,259	1,548	(149)	1,399	166	(15)	151
Work in progress and semifinished products	1,006	(23)	983	1,144	(22)	1,122	42	(1)	41
Contract work in progress	4,077	0	4,077	5,293	0	5,293	0	0	0
Finished goods and merchandise	4,897	(466)	4,431	4,730	(488)	4,242	451	(39)	412
Advances to suppliers	5,188	0	5,188	3,824	0	3,824	0	0	0
<b>Total inventories</b>	<b>16,648</b>	<b>(710)</b>	<b>15,938</b>	<b>16,539</b>	<b>(659)</b>	<b>15,880</b>	<b>659</b>	<b>(55)</b>	<b>604</b>
Advance payments on contract work in progress	(8,448)	-	(8,448)	(8,227)	-	(8,227)			
<b>Net inventories</b>	<b>8,200</b>	<b>(710)</b>	<b>7,490</b>	<b>8,312</b>	<b>(659)</b>	<b>7,653</b>			

Inventories mainly refer to the Fiat Group (a net amount of € 15,360 million at December 31, 2003).

Advance payments received by the Fiat Group from customers against contract work in progress amount to € 8,448 million (€ 8,227 million at December 31, 2002) and are recorded in Payables (Note 11). Inventories, net of such advance payments received from customers, amount to € 6,912 million (€ 7,050 million at December 31, 2002). Advances to suppliers principally regard the amounts paid by Fiat S.p.A. to the consortiums involved in the T.A.V. project. Contract work in progress decreased mainly as a result of the Change in the scope of consolidation.

## 5) Current assets - Receivables

An analysis of receivables by type and due date is as follows:

€ in millions	12/31/2003			12/31/2002 (restated)			12/31/2002 (published)		
	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total
Trade receivables	4,653	26	4,679	6,234	60	6,294	986	0	986
Receivables from unconsolidated subsidiaries	75	3	78	55	0	55	1	0	1
Receivables from associated companies	768	0	768	476	1	477	4	0	4
Receivables from tax authorities	1,543	138	1,681	1,817	147	1,964	178	1	179
Receivables from social security agencies	15	0	15	23	0	23	1	0	1
Receivables from employees	35	2	37	39	3	42	3	0	3
Receivables from others	1,990	1,509	3,499	2,295	2,844	5,139	174	10	184
<b>Total receivables</b>	<b>9,079</b>	<b>1,678</b>	<b>10,757</b>	<b>10,939</b>	<b>3,055</b>	<b>13,994</b>	<b>1,347</b>	<b>11</b>	<b>1,358</b>

An analysis of receivables by due date, by Group, is as follows:

€ in millions	12/31/2003			12/31/2002 (restated)			12/31/2002 (published)		
	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total
<b>Fiat Group</b>									
Trade receivables	3,733	25	3,758	5,248	60	5,308			
Receivables from unconsolidated subsidiaries	73	3	76	54	0	54			
Receivables from associated companies	764	0	764	472	0	472			
Receivables from tax authorities	1,413	137	1,550	1,639	146	1,785			
Receivables from social security agencies	14	0	14	22	0	22			
Receivables from employees	33	2	35	36	3	39			
Receivables from others	1,808	1,508	3,316	2,120	2,834	4,954			
<b>Total</b>	<b>7,838</b>	<b>1,675</b>	<b>9,513</b>	<b>9,591</b>	<b>3,043</b>	<b>12,634</b>			
<b>Worms &amp; Cie Group</b>									
Trade receivables	837	1	838	909	0	909	909	0	909
Receivables from tax authorities	52	1	53	117	1	118	117	1	118
Receivables from social security agencies	1	0	1	1	0	1	1	0	1
Receivables from employees	1	0	1	2	0	2	2	0	2
Receivables from others	132	0	132	151	0	151	151	0	151
<b>Total</b>	<b>1,023</b>	<b>2</b>	<b>1,025</b>	<b>1,180</b>	<b>1</b>	<b>1,181</b>	<b>1,180</b>	<b>1</b>	<b>1,181</b>
<b>NHT Group</b>									
Trade receivables	83	0	83	76	0	76	76	0	76
Receivables from unconsolidated subsidiaries	2	0	2	1	0	1	1	0	1
Receivables from associated companies	4	0	4	4	0	4	4	0	4
Receivables from tax authorities	14	0	14	10	0	10	10	0	10
Receivables from employees	1	0	1	0	0	0	0	0	0
Receivables from others	50	1	51	24	10	34	24	10	34
<b>Total</b>	<b>154</b>	<b>1</b>	<b>155</b>	<b>115</b>	<b>10</b>	<b>125</b>	<b>115</b>	<b>10</b>	<b>125</b>
<b>IFIL Holdings System and intragroup eliminations</b>									
Trade receivables	0	0	0	1	0	1	1	0	1
Receivables from associated companies	0	0	0	0	1	1	0	0	0
Receivables from tax authorities	64	0	64	51	0	51	51	0	51
Receivables from employees	0	0	0	1	0	1	1	0	1
Receivables from others	0	0	0	0	0	0	(1)	0	(1)
<b>Total receivables</b>	<b>9,079</b>	<b>1,678</b>	<b>10,757</b>	<b>10,939</b>	<b>3,055</b>	<b>13,994</b>	<b>1,347</b>	<b>11</b>	<b>1,358</b>

Receivables from tax authorities principally refer to VAT and income taxes receivable from the Italian tax authorities and include the tax credit relating to the advance payments of income tax on employee severance indemnities paid by Italian companies. The portion of interest accrued on that receivable relating to the current year is recorded in Financial income and expenses.

Other receivables from others include the net debit balance of deferred tax assets, equal to € 1,907 million (€ 3,560 million at December 31, 2002) of which € 1,879 million refers to the Fiat Group, € 23 million to the



Worms & Cie Group and € 5 million to the NHT Group. Additional information on these assets is provided in Note 9, reserves for risks and charges, which comments on the income tax reserves.

Receivables due beyond five years, which refer entirely to the Fiat Group, amount to € 12 million (unchanged compared to 2002).

Receivables are presented net of the allowance for doubtful accounts (in reference to trade receivables) for € 567 million. Movements in these allowance accounts in 2003 are as follows:

Balance at 12/31/2002 (published)	Consolidation of Fiat and Soiem	Balance at 12/31/2002 (restated)	Provisions	Use and Other changes	Change in scope of consolidation	Balance at 12/31/2002
58	571	629	114	(123)	(53)	<b>567</b>

## 6) Financial assets not held as fixed assets

### Investments

Investments in other companies, entirely held by the Fiat Group, amount to € 32 million (€ 810 million at December 31, 2002) and show a decrease of € 778 million mainly due to the sale of the Toro Assicurazioni Group.

### Treasury stock

700,000 IFIL ordinary shares earmarked for stock option plans were purchased during the year. Such shares, carried at a total of € 2 million at a per share price of € 2.42, have a par value of € 700 thousand and represent 0.07% of the class of stock and capital stock. The comparison of the carrying value of these shares with the average market price in December shows a gain of € 130 thousand.

### Other securities

€ in millions	12/31/2003	12/31/2002 (restated)	Change	12/31/2002 (published)
<b>IFIL Holdings System</b> - short-term investments of liquidity	<b>427</b>	184	243	184
<b>Fiat Group</b>				
4,969,034 Fiat shares, of which 4,834,019 shares servicing the stock option plans	<b>32</b>	22	10	
Securities held by the insurance companies	<b>186</b>	6,102	(5,916)	
Securities held by the industrial companies	<b>3,659</b>	667	2,992	
	<b>3,877</b>	6,791	(2,914)	
<b>Worms &amp; Cie Group</b>				
69,947 Worms & Cie shares servicing the stock option plans	<b>1</b>	1	0	1
Certificates of deposit	<b>0</b>	80	(80)	80
Mutual funds	<b>36</b>	43	(7)	43
Commercial paper and other securities	<b>11</b>	6	5	6
	<b>48</b>	130	(82)	130
<b>NHT Group</b> - Marketable securities and bonds	<b>5</b>	7	(2)	7
<b>Total other securities</b>	<b>4,357</b>	7,112	(2,755)	321

The analysis, by Group, is as follows.



### IFIL Holdings System

At December 31, 2003, other securities mainly comprise investments of liquidity in the money market, in time deposits, in short-term Italian government securities and in other short-term financial instruments held by the foreign subsidiaries.

### Fiat Group

At December 31, 2003, other securities include short-term bonds and commercial paper (€ 1,480 million) and highly rated liquidity funds of leading international banks (€ 2,365 million), in which mainly the treasury management companies of the Fiat Group have made temporary and highly liquid investments of available cash resources that arose mainly as a result of the significant divestitures by the Group. Additional liquidity (€ 3,211 million) in the form of bank accounts and cash is included in cash.

At December 31, 2002, other securities comprised securities with a broad market issued by debtors with a high credit rating and mainly held by the insurance companies to cover, for the most part, policy liabilities and accruals.

The securities portfolio of € 3,845 million at December 31, 2003 (€ 6,769 million at December 31, 2002) approximates fair value.

### Financial receivables

€ in millions	12/31/2003				12/31/2003 (restated)				12/31/2003 (published)			
	Due		Of which due	Due	Due		Of which due	Due		Of which due	Due	Of which due
	within	beyond			within	beyond		within	beyond			
	one year	one year	Total	beyond 5 years	one year	one year	Total	beyond 5 years	one year	one year	Total	beyond 5 years
From unconsolidated subsidiaries	475	46	521	0	356	163	519	0	8	0	8	0
From associated companies	413	231	644	0	912	401	1,313	0	0	0	0	0
From parent companies	0	0	0	0	4	0	4	0	0	0	0	0
From others	6,508	3,097	9,605	422	9,225	7,371	16,596	935	7	0	7	0
<b>Total financial receivables</b>	<b>7,396</b>	<b>3,374</b>	<b>10,770</b>	<b>422</b>	<b>10,497</b>	<b>7,935</b>	<b>18,432</b>	<b>935</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>0</b>

Details, by Group, are as follows:

€ in millions	12/31/2003				12/31/2002 (restated)				12/31/2002 (published)			
	Due		Of which	Due	Due		Of which	Due		Of which	Due	Of which
	within	beyond			within	beyond		within	beyond			
	one year	one year	Total	beyond 5 years	one year	one year	Total	beyond 5 years	one year	one year	Total	beyond 5 years
<b>Fiat Group</b>												
From unconsolidated subsidiaries	475	46	521	0	348	163	511	0				
From associated companies	413	231	644	0	912	401	1,313	0				
From others	6,488	3,097	9,585	422	9,216	7,371	16,587	935				
	<b>7,376</b>	<b>3,374</b>	<b>10,750</b>	<b>422</b>	<b>10,476</b>	<b>7,935</b>	<b>18,411</b>	<b>935</b>				
<b>Worms &amp; Cie Group</b>												
From others	9	0	9	0	7	0	7	0	7	0	7	0
<b>NHT Group</b>												
From unconsolidated subsidiaries	0	0	0	0	8	0	8	0	8	0	8	0
From others	11	0	11	0	0	0	0	0	0	0	0	0
	<b>11</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>
<b>IFIL Holdings System</b>												
From parent companies	0	0	0	0	4	0	4	0	0	0	0	0
From others	0	0	0	0	2	0	2	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total financial receivables</b>	<b>7,396</b>	<b>3,374</b>	<b>10,770</b>	<b>422</b>	<b>10,497</b>	<b>7,935</b>	<b>18,432</b>	<b>935</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>0</b>

### **Fiat Group**

Financial receivables amounting to € 10,750 million (€ 18,411 million at December 31, 2002), net of allowances for doubtful accounts of € 316 million (€ 523 million at December 31, 2002), decreased by € 7,661 million compared to the end of the prior year. Such reduction is mainly due to the change in the scope of consolidation (€ 6,183 million) particularly as a result of the sale of the retail financing activities of the Automobile Sector.

Movements during the year in the allowance accounts for financial receivables are as follows:

Balance at 12/31/2002	Provisions	Use and Other changes	Change in scope of consolidation	Balance at 12/31/2002
523	188	(115)	(280)	316

The fair value of financial receivables would be approximately € 10,800 million at December 31, 2003 (€ 18,454 million at December 31, 2002); the fair value of financial receivables was determined in accordance with the method indicated in Note 3 - Financial fixed assets – Receivables.

Financial receivables from associated companies of € 644 million at December 31, 2003 (€ 1,313 million at December 31, 2002) decreased by € 669 million due to loan repayments.

Financial receivables from others amount to € 9,585 million at December 31, 2003 (€ 16,587 million at December 31, 2002) of which € 7,914 million at December 31, 2003 (€ 15,615 million at December 31, 2002) consist of financing granted to retail customers as well as dealer networks and suppliers.

Financial receivables from others also include the net value of subordinated securities of € 214 million (€ 602 million at December 31, 2002), subscribed to as part of the securitization of financial receivables; the reduction of € 388 million is chiefly due to the change in the scope of consolidation following the sale of Fidis Retail Italia.

### **NHT Group**

Financial receivables from others amount to € 11 million and include the receivables on the sale of the buildings in Turin and Milan, finalized in October. These receivables are secured by bank sureties issued by leading credit institutions.

## **7) Accrued income and prepaid expenses**

€ in millions	12/31/2003	12/31/2002 (restated)	Change	12/31/2002 (published)
Commercial accrued income:				
- Interest and commissions	5	30	(25)	0
- Other	37	68	(31)	25
<b>Total commercial accrued income</b>	<b>42</b>	<b>98</b>	<b>(56)</b>	<b>25</b>
Commercial prepaid expenses:				
- Interest	39	9	30	0
- Other	356	502	(146)	5
<b>Total commercial prepaid expenses</b>	<b>395</b>	<b>511</b>	<b>(116)</b>	<b>5</b>
<b>Total commercial accrued income and prepaid expenses</b>	<b>437</b>	<b>609</b>	<b>(172)</b>	<b>30</b>
Financial accrued income	327	553	(226)	10
Financial prepaid expenses	85	118	(33)	0
<b>Total accrued income and prepaid expenses</b>	<b>849</b>	<b>1,280</b>	<b>(431)</b>	<b>40</b>

Financial accrued income mainly includes day-to-day interest earned on securities and derivative financial instruments.

## 8) Stockholders' equity

### Statement of changes in the stockholders' equity of the Group

€ in millions	Capital stock	Additional paid-in capital	Revaluation reserves	Legal reserve	Retained earnings and other reserves	Cumulative translation adjustments	Net loss for the year	Stockholders' equity
<b>Balance at December 31, 2002</b>	442	801	3	101	1,924	(196)	(367)	2,708
IFIL S.p.A. capital stock increase reserved for IFI S.p.A.	287	507						794
Difference between the economic value (€ 1,052 million) and accounting value (€ 794 million) of investments contributed by IFI S.p.A.					258			258
IFIL S.p.A. capital stock increase against payment (a)	386	118						504
Posting of the consolidation reserve arising from increases in the investments in Fiat and in Worms & Cie					43			43
Use of the consolidation reserve for a part of the difference on consolidation on Juventus Football Club					(43)			(43)
Net adjustments from the translation of foreign currency financial statements						(273)		(273)
Other changes, net	(40)				48			8
Appropriation of the prior year's loss		(377)		45	(35)		367	0
Consolidated net loss - Group							(45)	(45)
<b>Balance at December 31, 2003</b>	<b>1,075</b>	<b>1,049</b>	<b>3</b>	<b>146</b>	<b>2,195</b>	<b>(469)</b>	<b>(45)</b>	<b>3,954</b>

(a) Includes the sale of unexercised rights for € 2 million.

#### Capital stock

At December 31, 2003, the capital stock of the parent company, IFIL S.p.A., fully subscribed to and paid-in, amounts to € 1,075,195,737 and is composed of 1,037,812,717 ordinary shares and 37,383,020 savings shares all with a par value of € 1 each.

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

Changes in capital stock during the year are detailed as follows:

Number of shares	Ordinary shares	Savings shares	Total
At December 31, 2002	257,655,009	184,082,638	441,737,647
Capital stock increase reserved for IFI	167,450,949	119,635,991	287,086,940
Conversion of savings shares to ordinary shares (ratio of 20:17)	226,385,269	(266,335,609)	(39,950,340)
Capital stock increase against payment at the per share price of € 1.3 (of which par value € 1 and additional paid-in capital € 0.3 )	386,321,490	0	386,321,490
<b>At December 31, 2003</b>	<b>1,037,812,717</b>	<b>37,383,020</b>	<b>1,075,195,737</b>

In execution of the resolution passed by the Extraordinary Stockholders' Meeting on April 23, 2003, in exchange for the contribution of investments and warrants by the parent company, IFI, IFIL issued to IFI 167,450,949 ordinary shares at the accounting per share price of approximately € 3.122 and 119,635,991 savings shares at the accounting per share price of approximately € 2.272. The par value of the IFIL shares issued amounted to € 287,086,940, plus € 507,460,128 of additional paid-in capital, for a total of € 794,547,068.

In May 2003, the voluntary conversion of IFIL savings shares to IFIL ordinary shares based upon a conversion ratio of 17 IFIL ordinary shares for every 20 IFIL savings shares was closed without payment of any cash differential. There were 266,335,609 IFIL savings shares (equal to 87.69% of savings capital stock) converted to 226,385,269 IFIL ordinary shares, which bear the same features and have the same rights as the shares outstanding. The remaining 39,950,340 IFIL savings shares were cancelled in September 2003, in conformity with the provisions of article 2445 of the Italian Civil Code, with the consequent reduction of the capital stock by € 39,950,340. In order to provide greater protection to the creditors of the company, the par value of the cancelled IFIL savings shares has been posted to an undistributable reserve except, upon authorization of the Extraordinary Stockholders' Meeting, it can be used for allocation to the capital stock account or to cover losses.

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

At the end of the rights offering period, 383,794,965 new IFIL ordinary shares were subscribed to, equal to 99.35% of the shares offered. Following the subsequent offering of the 4,432,500 unexercised rights on the market (which generated proceeds for IFIL of € 1.8 million that were allocated as an increase to stockholders' equity), the remaining 2,526,525 new IFIL ordinary shares were subscribed to in August.

The capital stock increase was therefore concluded, without the intervention of the Underwriting Syndicate, with the subscription of the entire issue of 386,321,490 ordinary shares offered for total proceeds of € 504 million (of which € 1.8 million came from the sale of the unexercised rights).

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

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

At December 31, 2003, capital stock includes € 1,342 thousand of transfers from the revaluation reserves set up in the past, which, in the case of distribution, would form part of the taxable income of the Company.

The legal reserve amounts to € 146 million (€ 101 million at December 31, 2002). By resolution of the Ordinary Stockholders' Meeting on May 13, 2003, the legal reserve was increased by € 45 million to one fifth of capital stock by drawing from additional paid-in capital.

#### **Cumulative translation adjustments**

The cumulative translation adjustments for a negative € 469 million (a negative € 196 million at December 31, 2002) show a net negative change of € 273 million which refers to the Fiat Group for € 193 million, the Worms & Cie Group for € 69 million and the NHT Group for € 11 million.

The negative change of the Fiat Group is mainly due to the effect of the weakness of the U.S. dollar and the Polish zloty against the euro.

The negative change of the Worms & Cie Group is mainly due to the effect of the weakness of the U.S. dollar and the British Pound against the euro.

## Reconciliation to the stockholders' equity and net loss of the parent company IFIL S.p.A.

€ in millions	12/31/2003		12/31/2002	
	Net income (loss)	Stockholders' equity	Net income (loss)	Stockholders' equity
<b>Statutory financial statements of IFIL S.p.A.</b>	<b>73</b>	<b>3,194</b>	(516)	1,823
Difference between the consolidated stockholders' equity and the stockholders' equity of the parent company at the beginning of the year		<b>885</b>		975
Net balance of changes during the year in the stockholders' equity of consolidated companies and companies accounted for using the equity method (excluding the results for the year) and translation adjustments		<b>(265)</b>		(239)
Difference between the economic value and accounting value of investments contributed by IFI		<b>258</b>	-	-
Share of earnings of consolidated companies and companies accounted for using the equity method, net of consolidation adjustments	<b>59</b>	<b>59</b>	284	284
Elimination of dividends received from consolidated companies and accounted for using the equity method	<b>(175)</b>	<b>(175)</b>	(79)	(79)
Adjustments to gains on sales of investments	<b>2</b>	<b>2</b>	(52)	(52)
Other consolidation adjustments	<b>(4)</b>	<b>(4)</b>	(4)	(4)
<b>Consolidated financial statements of the IFIL Group</b>	<b>(45)</b>	<b>3,954</b>	(367)	2,708

## Stockholders' equity – Minority interest

Details are as follows:

€ in millions	12/31/2003				12/31/2002 (restated)	12/31/2002 (published)
	%	Capital and reserves	Net income (loss)	Total		
FIAT Group	72.4	7,157	(1,539)	5,618	7,652	
Worms & Cie Group	46.9	854	61	915	1,011	1,011
NHT - New Holding for Tourism Group	10.0	29	1	30	33	33
<b>Total</b>		<b>8,040</b>	<b>(1,477)</b>	<b>6,563</b>	8,696	1,044

## 9) Reserves for risks and charges

€ in millions	12/31/2003		12/31/2002 (restated)	Change	12/31/2002 (published)
	Reserve for pensions and similar obligations	<b>1,571</b>		1,527	44
Income tax reserves:					
- current income tax reserve	<b>118</b>		220	(102)	20
- deferred income tax reserve	<b>304</b>		1,351	(1,047)	116
Total income tax reserves	<b>422</b>		1,571	(1,149)	136
Consolidation reserve for risks and future expenses	<b>70</b>		0	70	0
Other reserves:					
Warranty reserve	<b>791</b>		842	(51)	0
Restructuring reserves	<b>482</b>		743	(261)	13
Various liabilities and risk reserves	<b>2,557</b>		2,930	(373)	374
Total other reserves	<b>3,830</b>		4,515	(685)	387
Insurance policy liabilities and accruals	<b>89</b>		9,605	(9,516)	0
Other insurance policy liabilities and accruals	<b>0</b>		7,000	(7,000)	0
<b>Total reserves for risks and charges</b>	<b>5,982</b>		24,218	(18,236)	591

### Reserve for pensions and similar obligations

The reserve for pensions and similar obligations amounts to € 1,571 million (€ 1,527 million at December 31, 2002) and includes amounts payable to employees and former employees according to contractual agreements or by law, determined on an actuarial basis, where applicable.

### Income tax reserves

The deferred income tax reserve at December 31, 2003 includes deferred tax liabilities, net of deferred tax assets, which have been offset where possible by the individual consolidated companies. The net debit balance between the deferred income tax reserve and deferred tax assets is recorded in Other receivables from others and is composed as follows:

€ in millions	12/31/2003	12/31/2002 (restated)	Change	12/31/2002 (published)
Deferred income tax reserve	304	1,351	(1,047)	116
Deferred tax assets	(1,907)	(3,560)	1,653	(63)
<b>Total</b>	<b>(1,603)</b>	<b>(2,209)</b>	<b>606</b>	<b>53</b>

The net change of € 606 million compared to December 31, 2002, derives mainly from the reversal, by the Fiat Group, of deferred tax assets for which the recovery was mainly connected to the realization of gains on the sales of investments that took place during 2003.

Overall, the deferred income tax reserve, net of deferred tax assets recorded under Other receivables from others, can be analyzed as follows:

€ in millions	12/31/2003
Deferred tax liabilities from:	
- Accelerated depreciation	585
- Deferred tax on gains	497
- Capital investment grants	18
- Other	680
<b>Total deferred tax liabilities</b>	<b>1,780</b>
Deferred tax assets for:	
- Taxed reserves for risks and charges	(1,022)
- Inventories	(129)
- Taxed allowances for doubtful accounts	(89)
- Pension funds	(293)
- Other	(2,841)
<b>Total deferred tax assets</b>	<b>(4,374)</b>
Theoretical tax benefit connected to tax loss carryforwards	(4,386)
Adjustments for assets whose recoverability is not certain (mainly tax loss carryforwards)	5,377
<b>Total deferred income tax reserve, net of deferred tax assets</b>	<b>(1,603)</b>

As disclosed in the accounting policies, in recording deferred tax assets, each company in the Group critically evaluated whether the conditions existed for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. For this reason, the total theoretical future tax benefits deriving from positive temporary differences (€ 4,374 million), and tax loss carryforwards (€ 4,386 million), have prudently been reduced for a total of € 5,377 million.

In particular, the deferred income tax reserve net of deferred tax assets includes € 1,322 million of tax benefits connected to tax loss carryforwards. However, a further tax benefit connected to tax loss carryforwards of € 3,064 million has not been recorded in the financial statements.

Deferred taxes of € 72 million (€ 127 million at December 31, 2002) have not been provided by the Fiat Group on temporary differences relating to reserves and provisions in suspension of taxes, since they are not expected to be used in a manner which would warrant their taxation.

Since there is no reasonable certainty of future recovery, IFIL S.p.A. did not book any deferred tax assets on the fiscal 2001, 2002 and 2003 tax losses (approximate total of € 178 million) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (approximate total of € 266 million).

Consolidation reserve for risks and future expenses

The remaining balance of the consolidation reserve for risks and future expenses amounts to € 70 million, after it was utilized for € 207 million to cover the share of the losses of the Fiat Group for the period April 1 to December 31, 2003.

#### Other reserves

Restructuring reserves amount to € 482 million at December 31, 2003 (€ 743 million at December 31, 2002) and are related to the corporate restructuring programs of the following Sectors:

€ in millions	12/31/2003	12/31/2002	Change
Automobiles	160	320	(160)
Agricultural and construction equipment	83	218	(135)
Commercial vehicles	75	83	(8)
Metallurgical products	24	2	22
Components	64	59	5
Production systems	54	2	52
Services	8	19	(11)
Other sectors	3	27	(24)
Paper sector	11	13	(2)
<b>Total restructuring reserves</b>	<b>482</b>	<b>743</b>	<b>(261)</b>

The various liabilities and risk reserves amount to € 2,557 million at December 31, 2003 (€ 2,930 million at December 31, 2002) and represent the provisions made by the individual companies mainly for contractual, commercial and litigation risks. The reduction of € 303 million from December 31, 2002 represents the balance between ordinary and extraordinary provisions of € 1,274 million, decreases due to the currency exchange effect of € 99 million and decrease due to uses and other changes of € 1,478 million.

The various liabilities and risk reserves include:

- provisions made by the Worms & Cie Group in 2001 for the litigation pending in relation to the environmental risk concerning the Fox River (€ 82 million) and the fine levied by the European Commission for alleged violations of fair trade practices (€ 184 million);
- provisions made by the Worms & Cie Group for guarantees that certain British banks could ask the Worms & Cie Group to provide on behalf of the ex-AWA Group in relation to four leasing contracts signed by the same AWA Group between 1994 and 1997. The guarantees would serve in the case of an eventual dispute with the British tax authorities over the tax deductibility of accelerated depreciation regarding these same leasing contracts.

Additional information is provided in the section "Pending litigation".

#### Insurance policy liabilities and accruals

The reduction in all the Insurance policy liabilities and accruals of € 16,516 million is due to the sale of the Toro Assicurazioni Group.

#### 10) Reserve for employee severance indemnities

This reserve refers to the liability of the Italian consolidated companies for employees' severance indemnities, calculated in accordance with art. 2120 of the Italian Civil Code.

Movements in the reserve account, in millions of euros, are as follows:

Balance at 12/31/2002 (published)	Consolidation of Fiat and Soiem	Balance at 12/31/2002 (restated)	Provisions	Use and Other changes	Balance at 12/31/2003
15	1,610	1,625	247	(542)	1,330

The Use and Other changes column comprise the change in the scope of consolidation (€ 160 million) due to the deconsolidation of the Toro Assicurazioni Group, FiatAvio S.p.A. and Fidis Retail Italia S.p.A.



## 11) Payables

Payables may be analyzed by due date as follows:

€ in millions	12/31/2003				12/31/2002 (restated)				12/31/2002 (published)			
	Due within one year	Due beyond one year	Total	Of which	Due within one year	Due beyond one year	Total	Of which	Due within one year	Due beyond one year	Total	Of which
				due beyond 5 years				due beyond 5 years				
Bonds	1,034	8,876	9,910	3,804	1,853	9,165	11,018	3,243	0	145	145	0
Convertible bonds	1,765	0	1,765	0	0	2,125	2,125	0	0	0	0	0
Borrowings from banks	3,320	6,895	10,215	117	5,327	8,869	14,196	303	845	311	1,156	3
Other financial payables	1,105	300	1,405	152	1,227	407	1,634	173	266	159	425	123
Advances (a)	2,894	6,272	9,166	0	3,618	5,708	9,326	0	15	1	16	0
Trade payables	12,560	36	12,596	0	12,918	96	13,014	0	862	0	862	0
Notes payable	954	1	955	0	1,774	664	2,438	0	801	0	801	0
Payables to unconsolidated subsidiaries	69	0	69	0	68	0	68	0	5	0	5	0
Payables to associated companies	854	0	854	0	1,117	0	1,117	0	10	0	10	0
Taxes payable	915	29	944	2	1,366	24	1,390	0	87	0	87	0
Social security payable	324	4	328	0	352	2	354	0	41	0	41	0
Other payables	1,469	31	1,500	0	1,893	330	2,223	0	164	3	167	0
<b>Total payables</b>	<b>27,263</b>	<b>22,444</b>	<b>49,707</b>	<b>4,075</b>	<b>31,513</b>	<b>27,390</b>	<b>58,903</b>	<b>3,719</b>	<b>3,096</b>	<b>619</b>	<b>3,715</b>	<b>126</b>

(a) Of which advance payments on contract work in progress total € 8,448 million at December 31, 2003 (€ 8,227 million at December 31, 2002).

Payables may be analyzed by type as follows:

€ in millions	12/31/2003				12/31/2002 (restated)				12/31/2002 (published)			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Bonds	0	9,910	0	9,910	0	11,018	0	11,018	0	145	0	145
Convertible bonds	0	1,765	0	1,765	0	2,125	0	2,125	0	0	0	0
Borrowings from banks	0	10,215	0	10,215	0	14,196	0	14,196	0	1,156	0	1,156
Other financial payables	0	1,405	0	1,405	0	1,634	0	1,634	0	425	0	425
Advances	0	0	9,166	9,166	0	0	9,326	9,326	0	0	16	16
Trade payables	12,596	0	0	12,596	13,014	0	0	13,014	862	0	0	862
Notes payable	9	946	0	955	17	2,421		2,438		801		801
Payables to unconsolidated subsidiaries	22	47	0	69	25	39	4	68	1		4	5
Payables to associated companies	792	57	5	854	1,077	24	16	1,117	3	7	0	10
Taxes payable	0	0	944	944	0	0	1,390	1,390	0	0	87	87
Social security payable	0	0	328	328	0	0	354	354	0	0	41	41
Other payables	0	0	1,500	1,500	0	0	2,223	2,223	0	0	167	167
<b>Total payables</b>	<b>13,419</b>	<b>24,345</b>	<b>11,943</b>	<b>49,707</b>	<b>14,133</b>	<b>31,457</b>	<b>13,313</b>	<b>58,903</b>	<b>866</b>	<b>2,534</b>	<b>315</b>	<b>3,715</b>

Payables comprise advances of € 9,166 million at December 31, 2003 (€ 9,326 million at December 31, 2002), including € 8,448 million of advance payments received on contract work in progress (€ 8,227 million at December 31, 2002) against the stage of the completion of work by companies managing long-term contracts.

Payables secured by collateral amount to € 1,245 million (€ 1,631 million in 2002) and include € 1,234 million relating to the Fiat Group, € 6 million relating to the NHT Group and € 5 million to the Worms & Cie Group.

Additional details are provided in the note "Guarantees granted, commitments and other memorandum accounts".



The interest rates and the nominal currencies of medium and long-term financial payables, including the current portion of € 2,767 million at December 31, 2003 (€ 4,402 million at December 31, 2002) are as follows:

€ in millions	less than 5%	from 5% to 7.5%	from 7.5% to 10%	from 10% to 12.5%	Greater than 12.5%	Total
Euro and euro-zone currencies	8,219	6,507	78	4	5	<b>14,813</b>
U.S. dollar	562	591	848	0	1	<b>2,002</b>
Japanese yen	304	0	0	0	0	<b>304</b>
Brazilian real	32	580	42	2	194	<b>850</b>
British pound	212	581	0	0	0	<b>793</b>
Canadian dollar	74	0	0	0	0	<b>74</b>
Other	0	1	0	1	0	<b>2</b>
<b>Total 2003 medium and long-term debt</b>	<b>9,403</b>	<b>8,260</b>	<b>968</b>	<b>7</b>	<b>200</b>	<b>18,838</b>
Total 2002 medium and long-term debt	15,594	9,275	873	31	262	26,035

Financial payables with nominal rates greater than 12.5% relate principally to Fiat Group companies operating in Brazil.

Details of payables, by Group, are as follows:

#### **Fiat Group**

€ in millions	12/31/2003				12/31/2002			
	Due within one year	beyond one year	Total	Of which due beyond 5 years	Due within one year	beyond one year	Total	Of which due beyond 5 years
Bonds	1,034	8,576	9,610	3,804	1,853	9,020	10,873	3,243
Convertible bonds	1,765	0	1,765	0	0	2,125	2,125	0
Borrowings from banks	2,697	6,687	9,384	115	4,482	8,558	13,040	300
Other financial payables	809	155	964	34	961	248	1,209	50
Advances	2,877	6,272	9,149	0	3,603	5,707	9,310	0
Trade payables	11,733	36	11,769	0	12,056	96	12,152	0
Notes payable	224	1	225	0	973	664	1,637	0
Payables to unconsolidated subsidiaries	68	0	68	0	63	0	63	0
Payables to associated companies	842	0	842	0	1,107	0	1,107	0
Taxes payable	833	28	861	2	1,279	24	1,303	0
Social security payable	283	4	287	0	311	2	313	0
Other payables	1,288	28	1,316	0	1,729	327	2,056	0
<b>Total payables</b>	<b>24,453</b>	<b>21,787</b>	<b>46,240</b>	<b>3,955</b>	<b>28,417</b>	<b>26,771</b>	<b>55,188</b>	<b>3,593</b>

€ in millions	12/31/2003				12/31/2002			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Bonds	0	9,610	0	9,610	0	10,873	0	10,873
Convertible bonds	0	1,765	0	1,765	0	2,125	0	2,125
Borrowings from banks	0	9,384	0	9,384	0	13,040	0	13,040
Other financial payables	0	964	0	964	0	1,209	0	1,209
Advances	0	0	9,149	9,149	0	0	9,310	9,310
Trade payables	11,769	0	0	11,769	12,152	0	0	12,152
Notes payable	9	216	0	225	17	1,620	0	1,637
Payables to unconsolidated subsidiaries	21	47	0	68	24	39	0	63
Payables to associated companies	789	48	5	842	1,074	17	16	1,107
Taxes payable	0	0	861	861	0	0	1,303	1,303
Social security payable	0	0	287	287	0	0	313	313
Other payables	0	0	1,316	1,316	0	0	2,056	2,056
<b>Total payables</b>	<b>12,588</b>	<b>22,034</b>	<b>11,618</b>	<b>46,240</b>	<b>13,267</b>	<b>28,923</b>	<b>12,998</b>	<b>55,188</b>

As regards the Fiat Group, the decrease in payables (€ 8,948 million) compared to December 31, 2002 is mainly due to the following:

- a decrease in trade payables of € 679 million, including € 685 million for the change in the scope of consolidation;
- a decrease in financial payables of € 6,889 million due to the change in the scope of consolidation (€ 3,836 million mainly as a result of the sale of Fidis Retail Italia) and the effect of foreign exchange rates;
- a decrease in other payables of € 1,380 million mainly due to the change in the scope of consolidation of € 1,076 million.

Financial payables total € 22,034 million at December 31, 2003 (€ 28,923 million at December 31, 2002). Financial payables due within one year amount to € 6,616 million at December 31, 2003 (€ 8,310 million at December 31, 2002) and their carrying values approximate fair value as a consequence of the short-term maturity.

The portion of medium and long-term financial payables due beyond one year amounts to € 15,418 million at December 31, 2003 (€ 20,613 million at December 31, 2002). The scheduled maturities are:

€ in millions	2005	2006	2007	2008	Thereafter	Total
Medium and long-term financial payables due beyond one year	7,443	2,955	643	424	3,953	<b>15,418</b>

The fair value of medium and long-term financial payables due beyond one year would be approximately € 397 million lower than the carrying value at December 31, 2003 (at December 31, 2002, fair value would have been € 2,169 million lower). The fair values of such financial payables take into account the current market cost of funding with similar maturities, and, for bonds, their market prices.

Medium and long-term financial payables of the Fiat Group include financing of approximately € 1,150 million secured from Citigroup and a small group of banks that is guaranteed by the EDF put option (refer to the EDF Put described in Note 3) held by the Fiat Group on its remaining investment (24.6%) in Italennergia Bis and the shares in the same Italennergia Bis pledged by Fiat.

At December 31, 2003, the Group has an unused "committed" line of credit available mainly denominated in U.S. dollars for an equivalent amount of approximately € 2,000 million (approximately € 3,700 million at December 31, 2002). The decrease can principally be ascribed to the maturity of a syndicated credit line of US\$ 1 billion, in addition to the effects of the translation of the credit lines in their original currencies to euros.

Fiat Group's bonds, including convertible bonds, amount to € 11,375 million (€ 12,998 million at December 31, 2002) and can be analyzed by year of maturity as follows:

€ in millions	2004	2005	2006	2007	2008	Thereafter	Total
EMTN	98	1,426	2,351	181	228	2,769	<b>7,053</b>
Convertible bonds	1,765	-	-	-	-	-	<b>1,765</b>
Other bonds	936	489	-	100	-	1,032	<b>2,557</b>
<b>Total bonds</b>	<b>2,799</b>	<b>1,915</b>	<b>2,351</b>	<b>281</b>	<b>228</b>	<b>3,801</b>	<b>11,375</b>

The bonds issued by the Fiat Group are governed by different terms and conditions according to the following types of bonds:

- Euro Medium Term Notes (EMTN Program): these notes have been issued under a program that is utilized for approximately € 7 billion and guaranteed by Fiat S.p.A. Issuers taking part in the program are Fiat Finance & Trade Ltd. S.A. (for an amount outstanding of € 6,824 million), Fiat Finance North America Inc. (for an amount outstanding of € 148 million) and Fiat Finance Canada Ltd. (for an amount outstanding of € 81 million).
- Convertible bonds: this is a single bond convertible into 32,053,322 General Motors Corp. common stock ("Exchangeable GM") at a conversion price of US\$ 69.54 per share with coupon interest at 3.25% and maturing on January 9, 2007 for a face value of US\$ 2,229 million, equivalent to € 1,765 million; the subscribers to the Exchangeable GM bond will have the right to ask for early redemption of the bond in cash at its face value with payment on July 9, 2004. The investors may exercise this right during the period which starts 30 business days prior to July 9, 2004 and ends 15 business days prior to July 9, 2004. With reference to the risk, implicit in the bond, of an increase in the General Motors share price above US\$ 69.54, a Total Return Equity Swap agreement was put into place as described in Note 13.

- Other bonds refer to the following issues:
  - . bonds issued by Fiat Finance & Trade Ltd. S.A. with coupon interest at 3.75% and maturing March 31, 2004 for an amount of € 1,000 million and an amount outstanding of € 936 million;
  - . bonds issued by Fiat Finance & Trade Ltd. S.A. with coupon interest at 1.5% and maturing June 27, 2005 for an amount of Japanese yen 40 billion, equivalent to € 296 million;
  - . bonds issued by Case New Holland Inc. ("CNH Inc.") with coupon interest at 9.25% and maturing August 1, 2011 for an amount of US\$ 1,050 million, equivalent to € 831 million; the bond indenture contains a series of financial covenants that are common in the American high yield bond market;
  - . bonds issued by Case LLC. and Case Credit Corp. for a total amount outstanding of US\$ 624 million, equivalent to € 494 million.

The aforementioned principal bond issues are listed on the Italian stock exchange and the Luxembourg stock exchange. The offering circulars and prospectuses relating to the listings on the stock exchanges are available on the Group's website at [www.fiatgroup.com](http://www.fiatgroup.com) under "Shareholders and Investors – Financial Publications".

The majority of the bonds issued by the Fiat Group contain commitments ("covenant") by the issuer and in some cases by Fiat, as the guarantor, that, in international practice, are common for bond issues of this type when the issuers are in the same industrial segment in which the Group operates, such as, in particular: (i) (the so-called negative pledge clause which requires that the benefit of any real present or future guarantees given as collateral on the assets of the issuer and/or Fiat, on other bonds and other credit instruments should be extended to these bonds, to the same degree, (ii) the so-called *pari passu* clause, on the basis of which obligations cannot be undertaken which are senior to the bonds issued, (iii) the obligation of providing periodical disclosure, (iv) for some of the bond issues, the so-called cross-default clauses whereby the bonds become immediately due and payable when certain defaults arise in respect of other financial instruments issued by the Group and (v) other clauses generally present in issues of this type.

The bonds issued by Case New Holland Inc. ("CNH Inc.") with coupon interest at 9.25% and maturing on August 1, 2011 for an amount of US\$ 1,050 million, equivalent to € 831 million, contain, moreover, financial covenants common to the high yield American bond market which place restrictions, among other things, on the possibility of the issuer and certain companies of the CNH group to secure new debt, pay dividends or buy-back treasury stock, realize certain investments, conclude transactions with associated companies, give collateral on its assets, conclude sale and leaseback transactions, sell certain fixed assets or merge with other companies and financial covenants which impose a maximum limit on further indebtedness by the CNH group companies which can not exceed a specific ratio of cash flows to dividend payments and financial expenses. Such covenants are subject to various exceptions and limitations and, in particular, some of these would no longer be binding should the bonds be assigned an investment grade rating by Standard & Poor's Rating Services and/or Moody's Investors Service.

Fiat Group's major bond issues outstanding at December 31, 2003 are the following:

In millions	Currency	Face value	Coupon	Maturity	Amount outstanding in millions of euros
<b>Euro Medium Term Notes</b>					
Fiat Fin. North America	USD	69	5.020%	Oct. 19, 2004	55
Fiat Fin. North America	EUR	100	5.125%	Feb. 21, 2005	70
Fiat Finance & Trade	EUR	155	Indexed	July 5, 2005	155
Fiat Finance & Trade	EUR	130	Indexed	July 5, 2005	130
Fiat Finance & Trade	EUR	500	6.125%	August 1, 2005	500
Fiat Finance & Trade	EUR	300	6.125%	August 1, 2005	300
Fiat Finance & Trade	GBP	125	7.000%	Oct. 19, 2005	170
Fiat Finance & Trade (a)	EUR	1,700	5.750%	May 25, 2006	1,700
Fiat Finance Canada	EUR	100	5.800%	July 21, 2006	81
Fiat Finance & Trade (a)	EUR	500	5.500%	December 13, 2006	500
Fiat Finance & Trade (a)	EUR	1,000	6.250%	February 24, 2010	1,000
Fiat Finance & Trade (a)	EUR	1,300	6.750%	May 25, 2011	1,300
Fiat Finance & Trade (a)	EUR	617	(b)	(b)	617
Altre (c)					475
<b>Total Euro Medium Term Notes</b>					<b>7,053</b>
<b>Convertible bonds</b>					
Fiat Fin. Luxembourg (d)	USD	2,229	3.250%	July 9, 2004	1,765
<b>Total convertible bonds</b>					<b>1,765</b>
<b>Other bonds</b>					
Fiat Finance & Trade (a)	EUR	1,000	3.750%	March 31, 2004	936
Fiat Finance & Trade	JPY	40,000	1.500%	June 27, 2005	296
CASE LLC	USD	243	7.250%	August 1, 2005	193
CASE CREDIT Corp.	USD	127	6.750%	October 21, 2007	100
CNH Inc.	USD	1,050	9.250%	August 1, 2011	831
CASE LLC	USD	254	7.250%	January 15, 2016	201
<b>Total other bonds</b>					<b>2,557</b>
<b>Total bonds</b>					<b>11,375</b>

(a) Bonds listed on the Mercato Obbligazionario Telematico of the Italian stock exchange (EuroMot). Furthermore, the majority of the bonds issued by the Fiat Group are also listed on the Luxembourg stock exchange.

(b) "Fiat Step-Up Amortizing 2001-2011" bonds repayable at face value in five equal annual installments each for 20% of the total issued" (€617 million) due beginning from the sixth year (November 7, 2007) by reducing the face value of each bond outstanding by one-fifth. The last installment will be repaid on November 7, 2011. The bonds pay coupon interest equal to: 4.40% in the first year (Nov. 7, 2002), 4.60% in the second year (Nov. 7, 2003), 4.80% in the third year (Nov. 7, 2004), 5.00% in the fourth year (Nov. 7, 2005), 5.20% in the fifth year (Nov. 7, 2006), 5.40% in the sixth year (Nov. 7, 2007), 5.90% in the seventh year (Nov. 7, 2008), 6.40% in the eighth year (Nov. 7, 2009), 6.90% in the ninth year (Nov. 7, 2010), 7.40% in the tenth year (Nov. 7, 2011).

(c) Bonds with amounts outstanding equal to or less than the equivalent of €50 million.

(d) Bonds convertible into General Motors Corp. common stock.

The Fiat Group intends to repay the issued bonds in cash at maturity by utilizing available liquid resources. To this end, available liquidity at the end of 2003 totals €7 billion. The Fiat Group also has available unused committed credit lines for more than €2 billion.

Moreover, the companies in the Fiat Group may from time to time buy back bonds on the market that were issued by the Group also for purposes of their cancellation. Such buy-backs, if made, will depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Medium and long-term financial payables of the Fiat Group also include the €3 billion Mandatory Convertible facility stipulated in execution of the Framework Agreement, dated May 27, 2002, with Capitalia, Bancalntesa, SANPAOLO IMI and Unicredito Italiano (Money Lending Banks) for the purpose of providing the Fiat Group with the financial support it needs to implement its strategic and industrial plans. The facility was secured on September 24, 2002 from a syndicate of banks, including the Money Lending Banks, in which BNL, Monte dei Paschi di Siena, ABN Amro, BNP Paribas, Banco di Sicilia and Banca Toscana (hereinafter "the Banks") also participated. The main features of the Mandatory Convertible facility are listed in the following paragraphs.

The facility has a term of three years and expires on September 16, 2005 and is repayable with a new issue of Fiat S.p.A. ordinary shares. Moreover, Fiat may elect to repay the facility in cash at an earlier date, even partially, every six months, provided that, even after repayment, its rating is at least equal to investment grade level. Any residual liability for principal will be repaid with Fiat S.p.A. ordinary shares, which the Banks have agreed to underwrite and offer pre-emptively to all Fiat stockholders. The issue price per share will be the average of € 14.4409 (the adjusted value compared to the original value of € 15.50 in accordance with the rules established by the AIAF – Italian Association of Financial Analysts – following the Fiat S.p.A. capital increase) and the average stock market price in the last three or six months, depending on the case, preceding the repayment date. The same formula will also be applied in the event of an earlier repayment date.

The capital stock increase should be approved at the expiration of the three-year term of the facility, for an amount equal to the outstanding balance of the facility.

Conditions giving rise to an earlier expiration date of the facility include the occurrence of an event that creates a serious crisis for the company, such as the request for a court-appointed administrator or other proceedings of composition with creditors, a bankruptcy filing, or one of the causes of business dissolution set forth in the previous Article 2448 now Article 2484 of the Italian Civil Code. In addition, the Banks in the facility arrangement have the right to demand early repayment of the entire amount of the facility and proceed with the conversion of the debt into capital in the following cases:

- Fiat Group companies have not fulfilled their duty to repay liquid and current financial obligations of an aggregate amount of more than € 1 billion;
- the independent auditors have issued a negative opinion on the consolidated financial statements, unless new auditors, who must have accepted the assignment within 30 days, issue a favorable opinion no later than 60 days thereafter;
- Fiat becomes the target of a take-over bid in accordance with Articles 106 and 107 of the Consolidated Law on Financial Intermediation by third parties.

Lastly, the Banks also have the right but not the obligation to demand early repayment of a portion of the amount of the facility, up to a maximum of € 2 billion, after 24 months have elapsed from the signing of the agreement (and, therefore, beginning from July 26, 2004), in the event that the Group's debt is not rated "investment grade" by at least one of the leading international rating agencies and, after 18 months have elapsed from the signing of the agreement (January 26, 2004), in the event that the level of net and/or gross financial indebtedness (respectively in the definitions of "Net financial position" and "Total financial liabilities" used by the Group and detailed in the Report on Operations) is more than 20% higher than the corresponding level established by the Financial Objectives stipulated in the facility agreement.

The aforementioned financial objectives refer, in particular, to the reduction of net indebtedness in the Net Financial Position to less than € 3 billion by the date the Board of Directors of Fiat approves the 2002 annual financial statements and the maintenance of that level until the expiration of the facility. Pursuant to the agreement, the proceeds are considered which are generated by the transactions related to the sale of the investment in Italergeria Bis S.p.A., including those connected with the Citigroup facility of € 1,150 million, described previously, and the financial effects arising from binding contracts for the sale of assets (investments, companies, plant and equipment, etc.), comprising those not yet executed. The agreement also states that gross indebtedness must be reduced by € 12 billion, compared to March 31, 2002, by the date the Board of Directors approves the 2002 annual financial statements and must be maintained at less than € 23.6 billion until the expiration of the facility.

The Fiat Group confirms its observance of the financial objectives established with the Money Lending Banks in the Mandatory Convertible facility agreement in terms of reducing the net indebtedness position to € 3 billion, and reducing gross indebtedness to € 23.6 billion.

At December 31, 2003, the ratings assigned to the Fiat Group by the major rating agencies are the following:

	Short-term	Medium-term
Moody's Investors Service (a)	Not Prime	Ba3
Standard & Poor's Rating Services (a)	B	BB-
Fitch Ratings	B	BB

(a) For purposes of the Mandatory Convertible facility, the most important rating agencies are Standard & Poor's and Moody's.

The ratings of the Group represented in the table refer to the non-investment grade category.

Should this condition persist, beginning from July 26, 2004, the Banks will have the right but not the obligation to demand early repayment of the facility and proceed with the conversion of the debt into capital for an amount of up to € 2 billion.

### **Worms & Cie Group**

€ in millions	12/31/2003				12/31/2002			
	Due within	Due beyond	Of which due		Due within	Due beyond	Of which due	
	one year	one year	Total	beyond 5 years	one year	one year	Total	beyond 5 years
Borrowings from banks	277	6	283	1	315	114	429	3
Other financial payables	283	129	412	118	261	134	395	123
Advances	13	0	13	0	11	0	11	0
Trade payables	707	0	707	0	740	0	740	0
Notes payable	730	0	730	0	801	0	801	0
Taxes payable	69	0	69	0	74	0	74	0
Social security payable	38	0	38	0	39	0	39	0
Other payables	166	3	169	0	147	3	150	0
<b>Total payables</b>	<b>2,283</b>	<b>138</b>	<b>2,421</b>	<b>119</b>	<b>2,388</b>	<b>251</b>	<b>2,639</b>	<b>126</b>

€ in millions	12/31/2003				12/31/2002			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Borrowings from banks	0	283	0	283	0	429	0	429
Other financial payables	0	412	0	412	0	395	0	395
Advances	0	0	13	13	0	0	11	11
Trade payables	707	0	0	707	740	0	0	740
Notes payable	0	730	0	730	0	801	0	801
Taxes payable	0	0	69	69	0	0	74	74
Social security payable	0	0	38	38	0	0	39	39
Other payables	0	0	169	169	0	0	150	150
<b>Total payables</b>	<b>707</b>	<b>1,425</b>	<b>289</b>	<b>2,421</b>	<b>740</b>	<b>1,625</b>	<b>274</b>	<b>2,639</b>

Worms & Cie issued treasury bills for approximately € 1.2 billion which carry an A-2 rating from Standard & Poor's. The bills allow the Group to finance itself on the market with 1 to 3-month issues at competitive rates.

The risk of liquidity connected with this type of financing is covered by 1 to 5-year committed credit lines from leading banking institutions for more than 100% of the issued amounts.

## NHT Group

€ in millions	12/31/2003				12/31/2002			
	Due within one year	Due beyond one year	Of which due Total beyond 5 years		Due within one year	Due beyond one year	Of which due Total beyond 5 years	
Borrowings from banks	129	52	181	1	102	47	149	0
Other financial payables	13	16	29	0	5	25	30	0
Advances	4	0	4	0	4	1	5	0
Trade payables	119	0	119	0	121	0	121	0
Notes payable	0	0	0	0	0	0	0	0
Payables to unconsolidated subsidiaries	1	0	1	0	5	0	5	0
Payables to associated companies	12	0	12	0	9	0	9	0
Taxes payable	11	1	12	0	10	0	10	0
Social security payable	2	0	2	0	2	0	2	0
Other payables	12	0	12	0	12	0	12	0
<b>Total payables</b>	<b>303</b>	<b>69</b>	<b>372</b>	<b>1</b>	<b>270</b>	<b>73</b>	<b>343</b>	<b>0</b>

€ in millions	12/31/2003				12/31/2002			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Borrowings from banks	0	181	0	181	0	149	0	149
Other financial payables	0	29	0	29	0	30	0	30
Advances	0	0	4	4	0	0	5	5
Trade payables	119	0	0	119	121	0	0	121
Payables to unconsolidated subsidiaries	1	0	0	1	1	0	4	5
Payables to associated companies	3	9	0	12	2	7	0	9
Taxes payable	0	0	12	12	0	0	10	10
Social security payable	0	0	2	2	0	0	2	2
Other payables	0	0	12	12	0	0	12	12
<b>Total payables</b>	<b>123</b>	<b>219</b>	<b>30</b>	<b>372</b>	<b>124</b>	<b>186</b>	<b>33</b>	<b>343</b>

Financial payables of the NHT Group include short-term credit lines for € 108 million at annual average interest rates ranging between 3.04% and 5%, medium and long-term loans for a total of € 62 million received from highly rated credit institutions at floating rates based on the Euribor and Libor and bank overdrafts for € 11 million at market rates.

Financial payables also include loans received from the financial companies Andrei S.a.r.l. and Teckneme S.r.l. for a total of € 29 million (of which € 12 million is due on September 30, 2004, € 4 million in October 2005 and € 13 million in September 2006, at floating rates based on the Euribor).



## IFIL Holdings System

€ in millions	12/31/2003				12/31/2002			
	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due years
Bonds	0	300	300	0	0	145	145	0
Borrowings from banks	217	150	367	0	428	150	578	0
Trade payables	1	0	1	0	1	0	1	0
Payables to associated companies	0	0	0	0	1	0	1	0
Taxes payable	2	0	2	0	3	0	3	0
Social security payable	1	0	1	0	0	0	0	0
Other payables	3	0	3	0	5	0	5	0
<b>Total payables</b>	<b>224</b>	<b>450</b>	<b>674</b>	<b>0</b>	<b>438</b>	<b>295</b>	<b>733</b>	<b>0</b>

€ in millions	12/31/2003				12/31/2002			
	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Bonds	0	300	0	300	0	145	0	145
Borrowings from banks	0	367	0	367	0	578	0	578
Trade payables	1	0	0	1	1	0	0	1
Payables to associated companies	0	0	0	0	1	0	0	1
Taxes payable	0	0	2	2	0	0	3	3
Social security payable	0	0	1	1	0	0	0	0
Other payables	0	0	3	3	0	0	5	5
<b>Total payables</b>	<b>1</b>	<b>667</b>	<b>6</b>	<b>674</b>	<b>2</b>	<b>723</b>	<b>8</b>	<b>733</b>

IFIL S.p.A. financial payables include:

- bonds 2002/2005, issued for € 200 million (of which € 55 million issued in February 2003), subscribed to by primary institutional investors, bear interest at floating rates payable quarterly and are indexed against the Euribor. The bonds are repayable by a one-time payment at maturity on December 20, 2005. For purposes of fixing the interest rate on part of the bonds, interest rate swaps and zero cost collars for € 145 million were put into place;
- bonds 2003/2006 issued for € 100 million following the resolution passed by the Board of Directors' Meeting on December 2, 2003, subscribed to by primary institutional investors; the bonds bear interest at floating rates payable quarterly and are indexed against the Euribor. The bonds are repayable by a one-time payment at maturity on December 19, 2006;
- loans due at the end of October 2005 for € 150 million. Interest rate swaps guarantee a fixed rate for the entire period of the loans. These loans are classified as payables due beyond one year on account of the residual loan period and the period of the hedging contracts. Such payables are not due beyond five years;
- other short-term payables for € 217 million. The company has irrevocable lines of credit available against these borrowings totaling € 710 million, of which € 410 million is due beyond one year.

## 12) Accrued expenses and deferred income

Details are as follows:

€ in millions	12/31/2003	12/31/2002 (restated)	Change	12/31/2002 (published)
Commercial accrued expenses:				
- interest and commissions	71	54	17	
- other	528	551	(23)	36
Total commercial accrued expenses	599	605	(6)	36
Commercial deferred income:				
- interest	64	76	(12)	
- other	711	873	(162)	20
Total commercial deferred income	775	949	(174)	20
<b>Total commercial accrued expenses and deferred income</b>	<b>1,374</b>	<b>1,554</b>	<b>(180)</b>	<b>56</b>
Financial accrued expenses	597	793	(196)	8
Financial deferred income	364	1,137	(773)	2
<b>Total accrued expenses and deferred income</b>	<b>2,335</b>	<b>3,484</b>	<b>(1,149)</b>	<b>66</b>

Financial accrued expenses include interest expense on financial payables for the portion relating to the current year.

Financial deferred income includes deferred interest income on the portfolio of the financial services companies. The change from December 31, 2002 is principally due to the change in the scope of consolidation for € 751 million.

## 13) Guarantees granted, commitments and other memorandum accounts

### Guarantees granted

€ in millions	12/31/2003	12/31/2002 (restated)	Change	12/31/2002 (published)
Fiat Group	6,430	5,642	788	
Worms & Cie Group	86	203	(117)	203
NHT Group	73	72	1	72
<b>Total guarantees granted</b>	<b>6,589</b>	<b>5,917</b>	<b>672</b>	<b>275</b>

### Fiat Group

Guarantees granted are detailed as follows:

- suretyships total € 3,060 million (€ 1,638 million at December 31, 2002). The increase of € 1,422 million refers to guarantees that are still being provided to third parties which had previously been granted for the debt of companies in the Fiat Group that are now controlled by Fidis Retail Italia, which was deconsolidated.
- Other unsecured guarantees of € 3,075 million (€ 3,373 million at December 31, 2002) include commitments for receivables and bills discounted with recourse in the amount of € 2,203 million (€ 2,518 million at December 31, 2002). The receivables and bills discounted with recourse refer to trade receivables and other receivables for € 2,144 million (€ 2,505 million at December 31, 2002) and financial receivables for € 59 million (€ 13 million at December 31, 2002). The volume of receivables discounted with recourse in 2003 was € 15,341 million (€ 20,743 million in 2002);
- Other secured guarantees for € 35 million.

Although not included in the memorandum accounts, receivables and bills discounted by the Group without recourse having due dates beyond December 31, 2003 amount to € 9,852 million (€ 13,794 million in 2002 with due dates beyond December 31, 2002). Receivables and bills discounted without recourse refer to trade receivables and other receivables for € 4,638 million (€ 4,537 million at December 31, 2002) and financial receivables for € 5,214 million (€ 9,257 million at December 31, 2002). The discounting of financial receivables principally refers to securitization transactions involving accounts receivables from the final (retail) customers of the financial services companies. The accounting treatment for securitization transactions is disclosed in the Accounting Principles. The volume of receivables and bills discounted without recourse in 2003 was € 33,298 million (€ 30,502 million in 2002).

In summary, the discounted receivables and bills at December 31, 2003 are as follows:

€ in millions	12/31/2003			12/31/2002		
	Trade receivables and other receivables	Financial receivables	Total	Trade receivables and other receivables	Financial receivables	Total
With recourse	2,144	59	2,203	2,505	13	2,518
Without recourse	4,638	5,214	9,852	4,537	9,257	13,794

The reduction from 2002 is due to the change in the scope of consolidation.

#### **Worms & Cie Group**

Guarantees granted by the Worms & Cie Group amount to € 86 million (€ 203 million at December 31, 2002) and mainly include sureties issued to third parties.

#### **NHT Group**

Guarantees granted by the NHT Group amount to € 73 million (€ 72 million at December 31, 2002). These include guarantees provided in favor of Gecas Ltd (€ 33 million) for lease obligations by Neos relating to three B737–800 aircraft with a residual value of around US\$ 28.6 million.

For purposes of information, the total value of the three aircraft is equal to approximately US\$ 138 million.

NHT Group also issued sureties on behalf of tourist bodies, financial offices and public entities for € 34 million and mortgages are carried on the buildings of the Group to secure loans recorded in the financial statements for € 6 million.

#### **Commitments**

Commitments total € 33,353 million (€ 50,438 million at December 31, 2002) and include commitments related to derivative financial instruments of € 22,337 million (€ 39,726 million at December 31, 2002), other commitments of € 10,686 million (€ 10,213 million at December 31, 2002) and commitments to purchase property, plant and equipment for € 330 million (€ 499 million at December 31, 2002).

#### **Commitments related to derivative financial instruments**

€ in millions	Fiat Group	Worms & Cie Group	NHT Group	IFIL	Total
Contracts to hedge foreign exchange risks	4,830		25	0	4,855
Contracts to hedge interest rate exposure	14,142	550		295	14,987
Contracts for combined hedging of foreign exchange and interest rate risks	848	669		0	1,517
Equity swaps relating to the General Motors transaction	978				978
<b>Total 2003</b>	<b>20,798</b>	<b>1,219</b>	<b>25</b>	<b>295</b>	<b>22,337</b>
Total 2002 (restated)	38,535	650	81	460	39,726
Total 2002 (published)		650	81	460	1,191

#### **Fiat Group**

The decrease in the nominal amounts of the above derivative financial contracts compared to December 31, 2002 is largely due to extraordinary transactions during the period which led to the deconsolidation of outstanding positions and the early closing of certain loans and the relative hedges.

The Fiat Group maintains that such values, reflecting the notional principal amounts of the contracts, are not subject to risks that may derive from the non-fulfillment by the counterparties insofar as the contracts are entered into with several primary national and international financial institutions. Approximately 48% of the contracts outstanding at December 31, 2003 will expire during 2004 and the remainder in the period 2005-2022, of which 13% will expire after 2008. The consolidated statement of operations includes the effects both of the contracts that expired in 2003 and the provisions for the contracts expiring after December 31, 2003, as stated in the Accounting Policies.

The Group's financial policy attaches particular importance to the management and control of financial risks in that they can significantly impact profits. The Fiat Group has adopted a series of guidelines regarding the management of exchange rate and interest rate exposure.

The policy allows derivative financial instruments to be used only for managing exchange and interest rate risks connected to balance sheet flows and assets and liabilities, and not for speculative purposes.

In 2003, foreign exchange risk management followed the aforementioned policy and maintained the character of selective risk management. The reduction in exchange exposure, substantially originating from the positive balance between exports and imports, was based on the expected trend in exchange rates and the need to hedge the exchange levels of reference without completely foregoing the benefits deriving from a favorable trend in the rates. Again this year, the management of exchange risks was based principally on a combination of currency options.

In 2003, the management of interest rate exposure also followed the aforementioned guidelines which state that derivative financial instruments should be used to reach a fixed exposure level and minimize financing costs, and to ensure a correct matching of financing and investments by the financial services companies.

The derivative financial instruments principally relate to foreign exchange forward contracts, currency swaps and currency options or, as regards interest rate risks, interest rate swaps, forward rate agreements and options on interest rates, as well as interest rate and currency swaps for the combined management of currency and interest rate risks.

A comparison of the carrying values and the fair values of derivative financial instruments by contract type is set forth below:

	12/31/2003			12/31/2002		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
€ in millions						
Foreign exchange risk management instruments	(3)	59	62	75	118	43
Interest rate risk management instruments	138	319	181	107	343	236
Foreign exchange risk and interest rate risk management instruments	174	176	2	99	84	(15)
Equity swaps	(1)	439	440	-	23	23
<b>Total</b>	<b>308</b>	<b>993</b>	<b>685</b>	<b>281</b>	<b>568</b>	<b>287</b>

The fair value of these derivative financial instruments was estimated based on year-end market prices for instruments with similar characteristics and maturities.

The changes in the financial statement amounts for foreign exchange transactions and for combined foreign exchange and interest rate transactions can mainly be ascribed to a different mix of the outstanding transactions at the end of the year compared to the prior year, in addition to the trend of the euro/U.S. dollar exchange rate. The fair value of the equity swaps is the result of the positive trend in the General Motors share price.

The difference between the "Carrying value" and "Fair Value" is mainly due to the accounting principles adopted for the valuation of the financial instruments designated as hedges. As disclosed in the Accounting Policies, it is not possible to completely adopt IAS 39 under current Italian law since all derivative financial instruments would have to be recorded at fair value in the financial statements, including those designated as hedges. The latter, instead, have been valued symmetrically with the underlying hedged item. Therefore, where the hedged item has not been adjusted to fair value in the financial statements, the hedging financial instruments have also not been adjusted. Similarly, where the hedged item has not yet been recorded in the financial statements (hedging of future flows), the valuation of the hedging instrument at fair value is deferred.

At December 31, 2003, the integral adoption of IAS 39 would have had an effect on the balance sheet, on one hand, for the adjustment of derivative financial instruments to arrive at fair value with a positive effect of € 685 million (positive effect of € 287 million at December 31, 2002), and, on the other hand, for the adjustment of the hedged balance sheet items (mainly payables) with a net negative effect (due to the trend in interest rates) of € 262 million (€ 405 million at December 31, 2002) and, for the part relating to the hedging of future flows, a lower accumulated value of reserves in stockholders' equity of € 22 million (€ 188 million at December 31, 2002), net of the amount set aside for deferred income taxes. The integral adoption of IAS 39 would have led to positive effects on the net result for the year of approximately € 272 million, net of tax charges.

With particular regard to the previously mentioned equity swap agreements, the amount at December 31, 2003 of € 978 million includes, for € 916 million, the notional amount of the equity swaps stipulated at the same time as the sale of the General Motors shares and which was put into place to hedge the risk, implicit in the Exchangeable bonds described previously, of an increase in the General Motors share price above the conversion price (Note 11). It also comprises the equity swaps stipulated to hedge the risk of an increase in the Fiat share price above the exercise price of the stock options assigned to Mr. Giuseppe Morchio as described in the following paragraphs.

With regard to the equity swaps on General Motors shares, in fact, the Exchangeable bonds issued at the start of 2002 are convertible into the same number of General Motors shares as once held by the Fiat Group (32,053,422 shares). The option exercise price implicit in the bonds coincides with the pre-sale unit carrying value, in U.S. dollars, of the General Motors shares in the consolidated financial statements of Fiat, prior to the sale made in 2002, of US\$ 69.54 per share. Accordingly, at the time the bonds were issued the risk of an increase in the General Motors share price above US\$ 69.54 per share was covered by the shares held by Fiat. At the time of the sale of the General Motors shares by Fiat in December 2002, in order to hedge the above-mentioned risk implicit in the Exchangeable bonds, Fiat contemporaneously stipulated with the bank acquiring the shares a "Total Return Equity Swap" derivative contract (hereinafter "Equity Swaps") relating to the same number of General Motors shares and having the following main characteristics:

- In line with the expiry of the Exchangeable bonds, at maturity, Fiat will settle with the counterparty bank the price variances between the initial General Motors share price (US\$ 36.11 per share) and the final share price, cashing in on a positive share price performance or paying for a negative performance;
- throughout the duration of the bonds, Fiat will pay the counterparty variable interest applied on the notional value of the contract (equal to the sale price of US\$ 1,157 million);
- any dividends distributed by General Motors on the sold shares will be repaid to Fiat by the counterparty;
- as a guarantee for the payment of the above-mentioned variance, if negative, Fiat deposited a remunerated amount in an account with the bank. Such collateral will be adjusted in relation to the relative exposure of the two parties and at December 31, 2003 amounts to € 183 million (€ 221 million at December 31, 2002);
- at the closing of the Equity Swaps, Fiat will not possess any rights to repurchase the sold shares;
- the Equity Swaps can be settled at an earlier date, in whole or in part, at any time.

In accordance with accounting principles, the aforementioned Equity Swaps, despite being entered into for hedging purposes, cannot be treated in hedge accounting and accordingly is defined as a trading derivative financial instrument. It follows that, in accordance with the principle of prudence, if during the period of the contract General Motors shares perform positively, the positive fair value of the instrument is not recorded in the statement of operations; if, instead, the performance is negative, the negative fair value of the instrument is recorded immediately as a cost within financial expenses. At December 31, 2003, the Equity Swaps have a positive fair value of € 439 million (€ 23 million at December 31, 2002) that has not been recorded in the financial statements.

As regards the Equity Swaps on Fiat shares, the Board of Directors resolved in 2003 to assign options to Mr. Giuseppe Morchio, as the only variable component of his compensation for the post of CEO, for the purchase of 13,338,076 Fiat ordinary shares at a price of € 5.623 per share, which can be exercised from March 27, 2004 to March 27, 2010. The right to purchase a maximum amount of 20% of the total matures in each of the first five years. Two-thirds of the options that will mature from March 27, 2005 to 2008 can be exercised only upon reaching preestablished profit objectives during the period of reference. The risk of a significant increase in the Fiat share price above the exercise price of these options is covered, with reference to 3,338,076 shares, by treasury stock in portfolio, whereas with reference to the remaining 10,000,000 shares, the aforementioned "Total Return Equity Swap" agreement was put into place with a reference price of € 6.173 per share and expiring on August 31, 2004. In accordance with accounting principles, the aforementioned Equity Swaps, despite being entered into for hedging purposes, cannot be treated in hedge accounting and accordingly is defined as a trading derivative financial instrument. It follows that, in accordance with the principle of prudence, if during the period of the contract the Fiat shares perform positively, the positive fair value of the instrument is not recorded in the statement of operations.

If, instead, the performance is negative, the negative fair value of the instrument is recorded immediately as a cost within financial expenses. At December 31, 2003, the Equity Swaps have a negative fair value of € 1 million that has therefore been recorded in the financial statements.

#### **Worms & Cie Group**

Commitments regarding derivative financial instruments of the Worms & Cie Group mainly include agreements to hedge exchange and interest rate risks expiring between 2004 and 2006.

#### **NHT Group**

Commitments regarding derivative financial instruments of the NHT Group include contracts stipulated by Alpitour to hedge exchange rate risks on future purchases of services in U.S. dollars.

#### **IFIL S.p.A.**

Commitments by IFIL (€ 295 million) include interest rate swaps stipulated on loans of € 150 million maturing October 2005. The instruments guarantee the Company a fixed interest rate for the entire period of the loan contracts. For purposes of fixing the interest rate on part of IFIL bonds 2002-2005, interest rate swaps and zero cost collars for € 145 million were put into place. The transactions in derivative financial instruments are exclusively used to hedge the risk of interest rate fluctuations and thus are not valued separately.

#### **Other commitments**

€ in millions	12/31/2003	12/31/2002 (restated)	Change	12/31/2002 (published)
Fiat Group	10,350	9,884	466	
Worms & Cie Group	134	94	40	94
NHT Group	37	31	6	31
IFIL Holdings System	165	204	(39)	204
<b>Total other commitments</b>	<b>10,686</b>	<b>10,213</b>	<b>473</b>	<b>329</b>

#### **Fiat Group**

Other commitments amounted to € 10,350 million at December 31, 2003 (€ 9,884 million at December 31, 2002) and include commitments for the execution of works in the amount of € 8,011 million (€ 7,718 million at December 31, 2002) under the contracts between Fiat S.p.A., as General Contractor, and Treno Alta Velocità T.A.V. S.p.A. for the design and construction of a high-speed railway lines between Bologna - Florence and Turin - Milan. The increase of € 293 million compared to December 31, 2002 relates to the agreements reached during 2003 regarding the Florence-Bologna section, concerning alterations to the network (€ 28 million), urgent improvement work (€ 26 million) and monetary adjustments (€ 46 million) and agreements relating to the Turin-Novara sub-line, concerning alterations (€ 129 million) and monetary adjustments (€ 64 million). Fiat S.p.A. in turn assigned the design and construction of these works to the CAV.E.T. and CAV.TO.MI consortiums. In order to guarantee the contractual advances and the proper execution of the works, Fiat S.p.A. granted bank suretyships to T.A.V. S.p.A. totaling € 1,566 million. Similarly, as called for by the contract, the CAV.E.T. and CAV.TO.MI consortiums granted bank suretyships to Fiat S.p.A. for € 617 million and € 889 million respectively. Consequently, the guarantees granted are substantially covered by the guarantees received.

#### Other commitments and important contractual rights

##### Relations with General Motors

Although they are not included in the memorandum accounts, the following comments are intended to summarize the options held by the Fiat Group deriving from the relationships with General Motors. On the basis of the Agreement ("Master Agreement") signed on March 13, 2000, by which 20% of the Automobile Sector was sold to General Motors, the Fiat Group had reserved itself a Put option at fair market value with General Motors on its remaining investment in Fiat Auto Holdings B.V. (80% in 2000, now 90% following the capital increase later described), exercisable during the period between January 24, 2004 and July 24, 2009. General Motors has claimed that the sale of certain financial activities by Fiat Auto and the recapitalization of Fiat Auto Holdings, put into place by Fiat, violate the Master Agreement and, as a result, the Put option. Fiat maintains that the two transactions are entirely legitimate and do not violate the Master Agreement nor other rights held by General Motors. Fiat considers the Put binding and exercisable according to the clauses of the Master Agreement. On October 26, 2003, Fiat and General Motors announced agreements regarding the strategic alliance in progress. A first agreement ("Amendment") pushes back the period in which the Put option can be exercised by one year. The new period in



which the Put option can be exercised goes from January 24, 2005 to July 24, 2010. The second agreement ("Standstill Agreement") precludes the parties from bringing legal action regarding the Master Agreement until December 15, 2004, preserving their respective rights. As for the aforementioned recapitalization of Fiat Auto Holdings, the Stockholders' Meeting of this company held on April 23, 2003 resolved a recapitalization plan for € 5 billion offering its stockholders the possibility of paying for their share of the capital increase over a period of 18 months. Fiat, during the year, subscribed to the recapitalization for € 3 billion, whereas General Motors has not yet subscribed to its share of the capital increase and stated that at this time it does not plan to participate. Consequently, the current percentage ownership of Fiat in Fiat Auto Holdings rose to 90%. For purposes of completing the disclosure, it should be pointed out that the Master Agreement (Section 8.07) calls for certain residual options in favor of General Motors in the event of a change in the control of Fiat following the purchase of more than 50% of Fiat's voting rights by another party or several parties in concert among each other. In this very remote eventuality, General Motors would have the right to demand that Fiat exercise the Put option on Fiat's investment in Fiat Auto Holdings, if the change in control was hostile, or, even if it was not hostile, to sell its investment in Fiat Auto Holdings to Fiat at a price equal to fair market value or, up to July 24, 2004, at US\$ 2.4 billion, if higher. Such eventuality is considered extremely unlikely partly in view of the onerous obligations that would be placed upon the acquirer of control on the basis of the laws on takeover bids.

Lastly, it should be pointed out that Fiat and General Motors have stated that discussions are underway to redefine the structure of the strategic alliance so that the parties might continue their industrial cooperation in constructive terms and settle unresolved issues. At the present time, it is not possible to determine what if any effects the discussions could have on the assets and liabilities reflected in the consolidated financial statements.

#### Ferrari and Maserati

A summary is presented below of the rights arising in 2002 from the purchase of 34% of the capital stock of Ferrari for € 775 million by Mediobanca S.p.A., within the framework of a consortium set up for the acquisition and placement of the Ferrari shares. Fiat realized a gain of € 671 million on this sale, net of selling expenses. The sales contract sets out the following principal elements:

- Mediobanca assumed the responsibility of sole Global Coordinator in charge of coordinating and leading the consortium;
- Mediobanca cannot sell its Ferrari shares to another group in the automobile industry as long as the Fiat Group maintains a 51% controlling interest in Ferrari. Barring certain specific assumptions, the Fiat Group can not reduce its investment in Ferrari below 51% until the end, depending on the case, of the third or fourth year subsequent to signing the contract;
- Fiat holds a call option that allows it to repurchase the Ferrari shares at any time before June 30, 2006 (the original date of June 30, 2005 was extended by one year during the course of 2003, by virtue of the payment of a premium of € 16 million), except during the five months subsequent to the presentation of an IPO application to the competent authorities. The option exercise price is equal to the original price at which the shares were sold plus interest during the period based on the BOT yield plus 4%;
- Mediobanca, moreover, does not hold any put option to resell the purchased Ferrari shares to Fiat, even in the event that the IPO does not occur or is not completed;
- Fiat may share, in declining percentages, in any gain realized by Mediobanca and the other members of the consortium in the event of an IPO.

#### Ixfin

At the end of 2003 the Fiat Group signed an agreement with the Ixfin group which had previously purchased Magneti Marelli Sistemi Elettronici from the Mekfin group, to which Fiat had sold that business in 2002. Ixfin Magneti Marelli Sistemi Elettronici is considered as a strategic supplier of both Fiat Auto and other automotive groups that were formerly customers of Magneti Marelli. In order that Ixfin Magneti Marelli Sistemi Elettronici could regularly meet the commitments undertaken with its customers and pursue development strategies for its business, a decision was taken to sign the aforementioned agreement, in the context of which, besides obtaining a series of guarantees:

- Magneti Marelli Holding S.p.A. signed a contract for the beneficial interest in the shares of Ixfin Magneti Marelli Sistemi Elettronici, valid until December 31, 2004, by which it is entitled to the voting rights and all the other administrative rights;
- Fiat Netherland Holding (at one time a Magneti Marelli Sistemi Elettronici stockholder and therefore a creditor company for the balance of the sale price) acquired a Call option (transferable) from the Ixfin group that is exercisable at any time up to December 31, 2004 for the purchase of Ixfin Automotive, the direct parent company of Ixfin Magneti Marelli Sistemi Elettronici, or, alternatively, Ixfin Magneti Marelli Sistemi Elettronici itself. The purchase price of the opted shares is € 45 million; furthermore, in the event the Call option is exercised,



Fiat Netherland Holding will assume the debt that the group of sellers has with Ixfin Magneti Marelli Sistemi Elettronici and with the other companies that would be acquired for a total of € 53 million. The price that would eventually be paid in total if the Call option is exercised would thus be equal to € 98 million.

The consolidated financial statements of the Fiat Group at December 31, 2003 show € 25 million in Other receivables for the amount paid in December as an advance on the possible exercise of the call option. Moreover, other receivables due from the parent companies of Ixfin Magneti Marelli Sistemi Elettronici have been written down in the consolidated financial statements of the Fiat Group at December 31, 2003. Expenses were incurred for such writedowns in the amount of € 24 million.

#### Teksid

Teksid S.p.A. is the object of a Put and Call contract with the partner Norsk Hydro concerning the subsidiary Meridian Technologies Inc. (held 51% by the Teksid Group and 49% by the Norsk Hydro Group). In particular, should there be a strategic deadlock in the management of the company (namely in all those cases in which a unanimous vote in favor is not reached by the directors on the board as regards certain strategic decisions disciplined by the contract between the stockholders), the following rights would arise:

- Put Option of Norsk Hydro with Teksid on the 49% holding: the sale price would be commensurate with the initial investment made in 1998, revalued pro rata temporis, net of dividends paid.
- Call Option of Teksid with Norsk Hydro on the 49% holding (exercisable whenever Norsk Hydro renounces its right to exercise the Put Option described above): the sale price would be the higher value between the initial investment made by Norsk Hydro in 1998, calculated according to the criteria expressed previously, and 140% of the Fair Market Value (in this regard, an increase of 2% per year is established in the event the option is exercised from the start of 2008 until 2013, thus up to 150% of the relative value).

It should be pointed out that so far the conditions that would give rise to the strategic deadlock are considered to be quite remote.

Fiat S.p.A. is subject to a put contract with Renault (in reference to the original investment of 33.5% in Teksid, now 19.52%). In particular, Renault would acquire the right to exercise a sale option on the treasury stock to Fiat, in the following cases:

- in the event of nonfulfilment in the application of the protocol of the agreement and admission to receivership or any other redressment procedure;
- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest in a structural manner outside the foundry sector;
- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for 6.5% of the capital stock of Teksid, the initial investment price increased pro rata temporis;
- for the remaining amount of capital stock of Teksid, the share of the accounting net equity.

#### End-of-life vehicles

In September 2000, the European Union issued Directive 2000/53/CE relative to end-of-life vehicles. This Directive, among other things, provides that, in the future, vehicle manufacturers will have to bear all, or a significant part of, the costs arising from the collection, treatment and recovery of end-of-life vehicles. The above Directive is currently being introduced into the national legislation of the individual member states and will be applicable for all vehicles placed on the market starting from July 2002; beginning January 2007 all vehicles on the market will be covered, even those placed before July 2002. The Directive was introduced in Italy in June 2003 and in the major markets (Germany, the Netherlands, Belgium, France, Spain, Slovenia, Portugal, Austria and Norway). Fiat Auto is pursuing a strategy aimed at zero service cost for the manufacturer by promoting networks for the disposal of the vehicles or taking part in networks set up by other competitors, which, in the majority of cases, is made possible by the creation of a process that is economically self-sustained by the recovery value of the spare parts. Consequently, no liabilities are recognized for the Fiat Group.

#### **Worms & Cie Group**

Commitments of the Worms & Cie Group principally refer to lease obligations for € 134 million.

### ***NHT Group***

These include sales commitments for travel bookings made by the tour operators of the Group for € 37 million.

On December 15, 2000, the Extraordinary Stockholders' Meeting of Alpitour S.p.A. voted to vest the Board of Directors with the power to increase capital stock by a maximum amount of € 767,500 to service a stock option plan on behalf of the directors, managers and cadres of Alpitour and the companies of the Group.

The regulations of the stock option plan, approved by resolution of the Board of Directors on December 15, 2000, state that the aforementioned capital increase of € 767,500 will occur by issue of a maximum 1,535,000 new ordinary shares of par value € 0.50 each. The options under the plan, which carries a period of 68 months, will accrue in annual lots expiring October 31, of each year and will be offered at a price equal to € 6.73 per share. The options granted can be exercised within six months of the approval of the financial statements ended October 31, 2005.

The shares purchased in execution of the above plan can be sold to Alpitour at a price, established by the Board of Directors, calculated on the basis of the economic performance of the company.

The first tranche of options granted during 2002/2003, referring to the financial statements for the year ended October 31, 2002, were not exercised by the beneficiaries of the stock option plans.

### ***IFIL Holdings System***

These refer to the commitment with Mediobanca for the purchase of 9.53% of the capital stock of Eurofind, carried out in January 2004 with an investment of € 116 million and the commitment with TUI for the purchase of 10% of capital stock of NHT New Holding for Tourism, carried out in January 2004 with an investment of € 46 million. Both transactions were entered into by the subsidiary Ifil Investissements.

Ifil Investissements, which already holds 14.3% of the capital stock of Euromedia Luxembourg One, has a commitment to purchase additional shares for a total equivalent amount of US\$ 3.75 million, corresponding to approximately € 3 million.

### **Pending litigation**

#### ***IFIL S.p.A.***

By notification on May 8, 2003, inferring illegal acts due to a conflict of interest and the unlawful valuation of the contributions in kind, the stockholder K Capital contested the resolution to increase IFIL's capital stock reserved for Istituto Finanziario Industriale S.p.A. passed by the Extraordinary Stockholders' Meeting of IFIL held on April 23, 2003 and sought compensation from IFIL for (alleged) damages (not quantified) suffered as a result of the unlawful conduct (allegedly) by IFI.

At the next hearing, scheduled for April 7, 2004, the judge will rule on the preliminary inquiries that might be presented by the litigants.

Both of the above complaints (request to declare the stockholders' resolution null and void and to seek an unspecified sum of compensation for damages) appear to be inadmissible and groundless and therefore at this time the Company does not believe that any contingent liabilities or losses will arise as a consequence.

Earlier, the appeal filed under ex article 2378, paragraph 4, of the Italian Civil Code by which the stockholder K Capital had sought the suspension of the execution of the resolution was denied by the Turin Court, by decree filed on June 9, 2003.

#### ***Fiat Group***

Fiat S.p.A. and certain of its subsidiaries are involved in various legal actions and disputes. However, the settlement of such actions and disputes should not give rise to significant losses or liabilities which have not already been set aside in specific risk reserves.

#### ***Worms & Cie Group***

##### ***Fox River***

The United States Fish and Wildlife department, in 1997, brought suit against Appleton Papers Inc., NCR Corporation and five other paper manufacturers for the alleged contamination of the Fox River.

This event took place during the 1970s when the company was owned by the NCR Corporation. At the time of the acquisition of Appleton Papers Inc. by Arjo Wiggins Appleton, in 1978, an agreement was signed with NCR Corporation for purposes of sharing the costs of the indemnities that could be charged to Appleton Papers Inc.

Since 1997, studies are being conducted to establish the feasibility of decontaminating the Fox River and to determine the share of responsibility. During the first half of 2001, Appleton Papers Inc. and NCR Corporation reached an agreement with the pertinent American authorities concerning the contamination of the Fox River. This

agreement consists of the commitment to pay a sum of US\$ 40 million over four years to finance the research project for its decontamination. This payment will be charged against the indemnities that are due.

In 2003, the "Department of Natural Resources" of Wisconsin (the state in which the pollution occurred) and the federal government published a long-term action plan for the complete reclamation of the river at an estimated total cost of US\$ 400 million, to be borne by the industries.

In July 2003, a ruling by a Supreme Court of Justice of the State of Wisconsin gave the industries which had signed insurance contracts covering environmental risks prior to 1986 the possibility of claiming the guarantees provided in these same contracts.

Appleton Papers Inc., which had signed such a contract, has an interest in that decision because it would require some of the insurance companies to assume a portion of the costs to decontaminate the Fox River. Reviews are currently underway to establish the portions of the costs that will be taken up by the insurance companies.

In view of the way the dispute was evolving, the Worms & Cie Group, based on an evaluation by experts, had set aside a sum of US\$ 125 million in 2001. Such provision had been calculated on the basis of the best estimate for decontamination expenses to be borne by the Group.

The events described above have not caused any significant change in the evaluation of the risk. Accordingly, at December 31, 2003, the reserve is equal to US\$ 104 million, net of research costs paid.

#### European Commission

The inquiry by the Commission ended with notification of a fine in July 2000, on which Arjo Wiggins Appleton submitted its comments on the subject. On December 20, 2001, the Commission levied a fine of € 184 million on Arjo Wiggins Appleton which, in keeping with the principle of prudence, the company entirely accrued in the 2001 financial statements.

During the first half of 2002, the Company decided to oppose this ruling, which it maintains is out of proportion to the facts of the case. Since the appeal does not suspend the obligation to pay the fine, the Company, in compliance with existing regulations, has decided to fulfill this obligation partly through a deposit of € 92 million and partly by providing a bank guarantee of the same amount.

The proceedings before the Court of the European Community in the first instance are still pending. Accordingly, at December 31, 2003, the provision has been calculated on the basis of the maximum potential risk.

#### **Juventus Football Club**

On October 27, 2003, F.I.F.A., following proceedings initiated by Juventus Football Club S.p.A. in September 2003, ordered the Fulham Football Club Ltd. to pay, within 30 days of notification, the balance of the sum of € 3.3 million (secured by a guarantee issued by an individual) due since August on the purchase of the player Edwin Van der Sar. The English Club filed an appeal and the F.I.F.A. appeal body ruled in favor of Juventus Football Club S.p.A. on February 29, 2004. Fulham Football Club Ltd opposed the decision and appealed to the Court of Arbitration for Sport of Lausanne. Since first and second rulings were handed down in its favor and in view of the fact that Juventus Football Club S.p.A. is in any case backed by the aforementioned guarantee issued by an individual, the receivable is considered collectible and has not been written down.

As regards the investigation by the judiciary against the Chief Executive Officer and company physician concerning the alleged improper use of medicines by Juventus Football Club S.p.A. players, a number of investigative hearings were held in the period July - December 2003 and these will continue in the coming months.

In the framework of judicial investigations begun by the Procura della Repubblica of Rome into the football sector, on February 26, 2004, the Guardia di Finanza confiscated documents at the offices of F.I.G.C. – Federazione Italiana Giuoco Calcio, LNP – Lega Nazionale Professionisti and all clubs registered in the Serie A and Serie B Championships in the seasons from 1999/2000 to 2003/2004 regarding matters that could be considered useful for the enquiries underway on how accounts were drafted and how clubs registered for the championships in the same years.

**Group assets held by third parties**

Group assets held by third parties, basically in reference to the Fiat Group, amount to € 4,672 million (€ 20,811 million at December 31, 2002), a decrease of € 16,138 million compared to December 31, 2002.

Fiat Group assets held by third parties include securities deposited with banks and other financial institutions totaling € 1,042 million (€ 17,558 million at December 31, 2002). Such securities in 2002 were primarily held by the Toro Assicurazioni Group.

This item also includes tangible fixed assets, products and goods of some Automotive Sectors held by outside suppliers for processing totaling € 3,454 million (€ 3,199 million at December 31, 2002).

IFIL S.p.A. assets held by third parties include the value of 10,400,000 SANPAOLO IMI shares equal to € 113.6 million under a stock-lending contract signed by IFIL. The transaction made it possible to improve the return on the investment.

## NOTES TO THE CONSOLIDATED STATEMENT OF OPERATIONS

### 14) Value of production – Revenues from sales and services and change in contract work in progress

In 2003, revenues from sales and services and change in contract work in progress amount to € 52,435 million, compared to € 61,017 million in 2002, with a decrease of 14.1%. They include revenues from sales and services of € 53,510 million (€ 60,795 million in 2002) and the negative change in contract work in progress of € 1,075 million (positive change of € 222 million in 2002).

The distribution of revenues from sales and services and the change in contract work in progress by business sector (net or intragroup transactions) is as follows:

€ in millions	2003	2002 (restated)	Change	
			amount	%
<b>Net revenues by operating sector</b>				
<b>Fiat Group</b>				
- Automobiles	19,839	21,908	(2,069)	(9)
- Agricultural and construction equipment	9,410	10,502	(1,092)	(10)
- Commercial vehicles	8,206	8,816	(610)	(7)
- Ferrari and Maserati	1,250	1,194	56	5
- Components	2,087	2,085	2	0
- Production systems	1,756	1,763	(7)	(0)
- Metallurgical products	735	1,411	(676)	(48)
- Aviation (a)	625	1,532	(907)	(59)
- Insurance (b)	1,654	4,834	(3,180)	(66)
- Services	1,019	1,005	14	1
- Publishing and communications	372	346	26	8
- Other companies	318	253	65	26
<b>Total Fiat Group</b>	<b>47,271</b>	<b>55,649</b>	<b>(8,378)</b>	<b>(15)</b>
<b>Worms &amp; Cie Group - mainly paper manufacturing and distribution</b>	<b>4,214</b>	<b>4,426</b>	<b>(212)</b>	<b>(5)</b>
<b>NHT Group - Tourism</b>	<b>946</b>	<b>938</b>	<b>8</b>	<b>1</b>
<b>IFIL Holdings System</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>
<b>Total net revenues of the Group</b>	<b>52,435</b>	<b>61,017</b>	<b>(8,582)</b>	<b>(14)</b>

(a) The Aviation Sector's revenues are included up to July 1, 2003.

(b) The Insurance Sector's revenues are included up to May 2, 2003.

Net revenues from sales and services and change in contract work in progress by area of destination may be analyzed as follows:

€ in millions	2003	2002 (restated)	Change
<b>Net revenues by destination - Fiat Group</b>			
Italy	16,381	20,120	(3,739)
Europe (excluding Italy)	18,884	21,072	(2,188)
North America	5,920	7,411	(1,491)
Mercosur	2,595	3,268	(673)
Other areas	3,491	3,778	(287)
<b>Total</b>	<b>47,271</b>	<b>55,649</b>	<b>(8,378)</b>
<b>Net revenues by destination - Worms &amp; Cie Group</b>			
Italy	285	287	(2)
Europe (excluding Italy)	2,621	2,635	(14)
North America	396	566	(170)
Other areas	912	938	(26)
<b>Total</b>	<b>4,214</b>	<b>4,426</b>	<b>(212)</b>
<b>Net revenues by destination - NHT Group</b>			
Italy	840	833	7
Europe (excluding Italy)	72	60	12
Other areas	34	45	(11)
<b>Total</b>	<b>946</b>	<b>938</b>	<b>8</b>
IFIL Holdings System and intragroup eliminations	4	4	0
<b>Total net revenues of the Group</b>	<b>52,435</b>	<b>61,017</b>	<b>(8,582)</b>

#### Other income and revenues

Details of other income and revenues, by Group, are as follows:

€ in millions	2003	2002 (restated)	Change
<b>Fiat Group</b>			
Revenue grants	52	47	5
Capital gains	187	290	(103)
Prior period income	423	518	(95)
Investment grants	78	114	(36)
Other income	949	1,183	(234)
<b>Total - Fiat Group</b>	<b>1,689</b>	<b>2,152</b>	<b>(463)</b>
<b>Worms &amp; Cie Group</b>			
Revenue grants	1	0	1
Other income	37	10	27
<b>Total - Worms &amp; Cie Group</b>	<b>38</b>	<b>10</b>	<b>28</b>
<b>NHT Group</b>			
Capital gains	0	1	(1)
Prior period income	1	1	0
Other income	8	7	1
<b>Total - NHT Group</b>	<b>9</b>	<b>9</b>	<b>0</b>
<b>IFIL Holdings System</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Total other income and revenues</b>	<b>1,737</b>	<b>2,172</b>	<b>(435)</b>

#### **Fiat Group**

Capital gains from the sale of fixed assets of € 187 million mainly relate to disposals of Fiat Group non-strategic activities as a consequence of the policy to reduce invested capital. The gains realized on the sale of non-strategic buildings total € 157 million (€ 159 million in 2002).

## 15) Costs of production

€ in millions	2003	2002 (restated)	Change
Fiat Group	50,858	58,854	(7,996)
Worms & Cie Group	4,125	4,292	(167)
NHT Group	937	932	5
IFIL Holdings System	21	26	(5)
<b>Total costs of production</b>	<b>55,941</b>	<b>64,104</b>	<b>(8,163)</b>

As regards the Fiat Group:

- the costs of production show a decrease of 13.6% compared to 2002. On a comparable consolidation basis, the decrease would be 5.3%;
- raw materials, supplies and merchandise amount to € 28,392 million in 2003 and, as a percentage of revenues, on a comparable consolidation basis, would be 63% (62.5% in 2002);
- services amount to € 8,505 million in 2003, with a decrease of 14% compared to 2002 and, as a percentage of revenues, represent 18%, compared to 17.8% in 2002. On a comparable consolidation basis, services as a percentage of revenues, would be 18.4% (18.7% in 2002). Services include advertising costs, external information technology and telecommunication service costs, external maintenance costs and transportation costs.

### Personnel

Personnel costs consist of the following:

€ in millions	2003	2002 (restated)	Change	2002 (published)
Salaries and wages	5,339	6,036	(697)	578
Social security contributions	1,409	1,519	(110)	154
Employee severance indemnities	247	259	(12)	3
Employee pensions and similar obligations	188	105	83	5
Other costs	340	397	(57)	21
<b>Total personnel costs</b>	<b>7,523</b>	<b>8,316</b>	<b>(793)</b>	<b>761</b>



Details of personnel costs, by Group, are as follows:

€ in millions	2003	2002 (restated)	Change
<b>Fiat Group</b>			
Salaries and wages	4,707	5,457	(750)
Social security contributions	1,249	1,365	(116)
Employee severance indemnities	244	256	(12)
Employee pensions and similar obligations	185	100	85
Other costs	303	376	(73)
<b>Total Fiat Group</b>	<b>6,688</b>	<b>7,554</b>	<b>(866)</b>
<b>Worms &amp; Cie Group</b>			
Salaries and wages	577	529	48
Social security contributions	146	141	5
Employee pensions and similar obligations	4	4	0
Other costs	34	20	14
<b>Total Worms &amp; Cie Group</b>	<b>761</b>	<b>694</b>	<b>67</b>
<b>NHT Group</b>			
Salaries and wages	50	46	4
Social security contributions	13	12	1
Employee severance indemnities	3	3	0
Other costs	1	1	0
<b>Total NHT Group</b>	<b>67</b>	<b>62</b>	<b>5</b>
<b>IFIL Holdings System</b>			
Salaries and wages	5	4	1
Social security contributions	1	1	0
Employee severance indemnities	1	1	0
<b>Total IFIL Holdings System</b>	<b>7</b>	<b>6</b>	<b>1</b>
<b>Total personnel costs</b>	<b>7,523</b>	<b>8,316</b>	<b>(793)</b>

Personnel costs of the Fiat Group amount to € 6,688 million in 2003, a decrease of 11.5% compared to 2002, mostly due to the effects of the change in the scope of consolidation. On a comparable consolidation basis, the decrease would be 5%. Personnel costs are equal to 14.1% of revenues (13.6% in 2002). Personnel costs as a percentage of revenues, on a comparable consolidation basis, would be 14.5% (14.3% in 2002).

An analysis of the average number of employees by category is provided as follows:

	2003	2002 (restated)	2002 (published)
- Managers and white-collar	72,088	79,623 (a)	8,518
- Blue-collar	120,444	129,487 (b)	10,168
<b>Total</b>	<b>192,532</b>	<b>209,110</b>	<b>18,686</b>

(a) Including 116 persons in companies consolidated proportionally by the Fiat Group in 2002.

(b) Including 320 persons in companies consolidated proportionally by the Fiat Group in 2002.

An analysis of the average number of employees, by Group, is provided as follows:

	2003	2002 (restated)	2002 (published)
Fiat Group	174,242	190,405	0
Worms & Cie Group	14,961	15,711	15,711
NHT Group	3,268	2,930	2,930
IFIL Holdings System	61	64	45
<b>Total</b>	<b>192,532</b>	<b>209,110</b>	<b>18,686</b>

### **Fiat Group**

The average number of employees in 2003 is equal to 174,242, a decrease of 16,163 employees compared to 2002. That reduction is partly due to employees who left the Group, also in connection with employee reduction plans, and partly to the change in the scope of consolidation mainly as a result of the sale of FiatAvio S.p.A., the Toro Assicurazioni Group, the Fraikin activities and the retail financing activities of the Automobile Sector.

### **Provisions for risks**

Provisions for risks of € 1,164 million (€ 1,138 million in 2002) mainly refer to the Fiat Group and relate to adjustments made to the vehicle warranty reserve for € 490 million in 2003 and € 435 million in 2002, mainly in the Automotive Sectors, and to other reserves connected with industrial risks for € 673 million (€ 703 million in 2002).

### **Other operating costs**

An analysis of other operating costs, by Group, is as follows:

€ in millions	2003	2002 (restated)	Change
<b>Fiat Group</b>			
Losses on sale of fixed assets	47	86	(39)
Prior period expenses	226	297	(71)
Indirect and other taxes	147	229	(82)
Sundry expenses	608	692	(84)
<b>Total Fiat Group</b>	<b>1,028</b>	<b>1,304</b>	<b>(276)</b>
<b>Worms &amp; Cie Group</b>			
Indirect and other taxes	40	43	(3)
Sundry expenses	38	49	(11)
<b>Total Worms &amp; Cie Group</b>	<b>78</b>	<b>92</b>	<b>(14)</b>
<b>NHT Group</b>			
Prior period expenses	1	1	0
Indirect and other taxes	3	3	0
Sundry expenses	0	1	(1)
<b>Total NHT Group</b>	<b>4</b>	<b>5</b>	<b>(1)</b>
<b>IFIL Holdings System - Indirect and other taxes</b>	<b>2</b>	<b>3</b>	<b>(1)</b>
<b>Total other operating costs</b>	<b>1,112</b>	<b>1,404</b>	<b>(292)</b>

### **Insurance claims and other insurance costs**

Insurance claims and other insurance costs amount to € 1,367 million (€ 4,045 million in 2002) and refer to insurance companies in the Fiat Group. The decrease from 2002 is due to the sale of the Toro Assicurazioni Group.

## 16) Financial income and expenses

### Investment income

Details of investment income, by Group, are as follows:

€ in millions	2003	2002	
		(restated)	Change
<b>Fiat Group</b>			
Dividends	12	103	(91)
Tax credit on dividends	5	22	(17)
Gains on sale of investments held in current assets	5	31	(26)
<b>Total Fiat Group</b>	<b>22</b>	<b>156</b>	<b>(134)</b>
<b>Worms &amp; Cie Group - Dividends</b>	<b>5</b>	<b>8</b>	<b>(3)</b>
<b>IFIL Holdings System</b>			
SANPAOLO IMI dividends	21	31	(10)
Tax credit on dividends	12	8	4
<b>Total IFIL Holdings System</b>	<b>33</b>	<b>39</b>	<b>(6)</b>
<b>Total investment income</b>	<b>60</b>	<b>203</b>	<b>(143)</b>

In 2002, dividends received by the Fiat Group included dividends received on General Motors shares (€ 68 million).

The Gains on sale of investments held in current assets by the Fiat Group decreased mainly on account of the change in the scope of consolidation due to the sale of the Toro Assicurazioni Group.

Tax credits are shown net of those relating to dividends from companies consolidated line-by-line or accounted for using the equity method, which are reclassified as a reduction of current income taxes.

### Other financial income

Details are as follows:

€ in millions	2003	2002		2002 (published)
		(restated)	Change	
Other financial income from:				
- receivables held as fixed assets from others	5	8	(3)	6
- securities held as fixed assets other than equity investments	0	156	(156)	0
- securities held as current assets other than equity investments	127	160	(33)	12
Other income from:				
- unconsolidated subsidiaries	8	26	(18)	2
- associated companies	7	23	(16)	0
- others:				
. bank and other interest	252	268	(16)	144
. customer interest and lease income	42	50	(8)	0
. discounts and other income	61	75	(14)	6
. income from derivative financial instruments	997	1,532	(535)	0
. foreign exchange gains, net	64	0	64	0
Total others	<b>1,416</b>	<b>1,925</b>	<b>(509)</b>	<b>150</b>
Total other income	<b>1,431</b>	<b>1,974</b>	<b>(543)</b>	<b>152</b>
<b>Total other financial income</b>	<b>1,563</b>	<b>2,298</b>	<b>(735)</b>	<b>170</b>

## Interest and other financial expenses

Details are as follows:

€ in millions	2003	2002 (restated)	Change	2002 (published)
Interest and other financial expenses from:				
- unconsolidated subsidiaries	3	2	1	0
- associated companies	6	3	3	0
- others:				
. bond interest	673	677	(4)	0
. bank interest	267	208	59	100
. interest on trade and other payables	18	71	(53)	0
. interest on notes payable	14	40	(26)	0
. discounts and other expenses	439	475	(36)	29
. expenses from derivative financial instruments	990	1,308	(318)	9
. interest on other financial payables	187	246	(59)	1
. losses on sale of securities	8	51	(43)	7
. foreign exchange losses, net	0	105	(105)	85
Total interest and other financial expenses from others	2,596	3,181	(585)	231
<b>Total interest and other financial expenses</b>	<b>2,605</b>	<b>3,186</b>	<b>(581)</b>	<b>231</b>

## Fiat Group

The following analysis of "Other financial income" and "Interest and other financial expenses" present the amounts shown in the related captions on the statement of operations and also the amounts of income and expenses of the Group's financial companies presented in the captions on the statement of operations under "Revenues from sales and services" and "Interest and other expenses of financial services companies", respectively. The last line in the table shows "Other financial income" and "Interest and other financial expenses" as presented on the statement of operations, excluding the financial activities.

€ in millions	2003	2002 (restated)	Change
Other financial income from:			
- receivables held as fixed assets from others	3	2	1
- securities held as fixed assets other than equity investments	0	156	(156)
- securities held as current assets other than equity investments	119	147	(28)
Other income from:			0
- unconsolidated subsidiaries	8	25	(17)
- associated companies	34	38	(4)
- others:			0
. bank and other interest	266	264	2
. customer interest and lease income	1,166	2,010	(844)
. discounts and other income	81	124	(43)
. income from derivative financial instruments	1,132	1,603	(471)
. foreign exchange gains, net	47	0	47
Total others	2,692	4,001	(1,309)
Total other income	2,734	4,064	(1,330)
<b>Total other financial income</b>	<b>2,856</b>	<b>4,369</b>	<b>(1,513)</b>
of which:			
Other financial income, excluding financial services companies	1,504	2,219	(715)

€ in millions	2003	2002	Change
Interest and other financial expenses from:			
- unconsolidated subsidiaries	3	2	1
- associated companies	6	2	4
- others:			0
. bond interest	681	769	(88)
. bank interest	558	656	(98)
. interest on trade and other payables	18	71	(53)
. interest on notes payable	49	106	(57)
. interest on other financial payables	185	273	(88)
. discounts and other expenses	534	635	(101)
. expenses from derivative financial instruments	1,115	1,492	(377)
. losses on sale of securities	8	44	(36)
. foreign exchange losses, net	0	111	(111)
Total interest and other financial expenses from others	3,148	4,157	(1,009)
<b>Total interest and other financial expenses</b>	<b>3,157</b>	<b>4,161</b>	<b>(1,004)</b>
of which:			
Interest and other financial expenses, excluding financial services companies	2,489	3,046	(557)

Other financial income of € 2,856 million in 2003 (€ 4,369 million in 2002) when shown net of Interest and other financial expenses of € 3,157 million (€ 4,161 million in 2002) results in a net negative balance of € 301 million (a net positive balance of € 208 million in 2002). The decrease in the net balance of € 509 million derives almost entirely

from the deconsolidation of the Toro Assicurazioni Group, FiatAvio S.p.A. and the retail activities of Fiat Auto and Fraikin.

Foreign exchange gains, net, of € 47 million (foreign exchange losses, net, of € 111 million in 2002) represent the balance between foreign exchange gains of € 2,519 million in 2003 (€ 2,446 million in 2002) and foreign exchange losses of € 2,472 million in 2003 (€ 2,557 million in 2002).

The Losses on sale of securities amount to € 8 million and include losses of € 6 million in 2003 on the sale of investments not held as fixed assets.

Discounts and other expenses include receivables discounting and securitization expenses of € 280 million in 2003 (€ 261 million in 2002).

### **Worms & Cie Group**

€ in millions	2003	2002	Change
Other financial income from:			
- receivables held as fixed assets from others	2	0	2
- securities held as current assets other than equity investments	3	4	(1)
Other income from:			
- associated companies	0	6	(6)
- others:			
. bank and other interest	24	45	(21)
. discounts and other income	3	6	(3)
. foreign exchange gains, net	23	13	10
Total others	50	64	(14)
Total other income	50	70	(20)
<b>Total other financial income</b>	<b>55</b>	<b>74</b>	<b>(19)</b>

€ in millions	2003	2002	Change
Interest and other financial expenses from:			
- others:			
. bank interest	49	63	(14)
. discounts and other expenses	21	26	(5)
<b>Total interest and other financial expenses</b>	<b>70</b>	<b>89</b>	<b>(19)</b>

### **NHT Group**

€ in millions	2003	2002	Change
Other financial income from:			
- receivables held as fixed assets from others	1	1	0
- securities held as current assets other than equity investments	1	0	1
Bank and other interest	2	5	(3)
<b>Total other financial income</b>	<b>4</b>	<b>6</b>	<b>(2)</b>

€ in millions	2003	2002	Change
Interest and other financial expenses from:			
- others:			
. bank interest	11	11	0
. interest on other financial payables	2	1	1
. discounts and other expenses	2	3	(1)
. foreign exchange losses, net	6	7	(1)
<b>Total interest and other financial expenses</b>	<b>21</b>	<b>22</b>	<b>(1)</b>

### IFIL Holdings System

€ in millions	2003	2002	Change
Other financial income from:			
- securities held as current assets other than equity investments	4	8	(4)
- unconsolidated subsidiaries	0	1	(1)
Bank and other interest	1	3	(2)
<b>Total other financial income</b>	<b>5</b>	<b>12</b>	<b>(7)</b>

€ in millions	2003	2002	Change
Interest and other financial expenses from:			
- others:			
. bond interest	9	0	9
. bank interest	14	26	(12)
. discounts and other expenses	2	1	1
. expenses from derivative financial instruments	5	9	(4)
. losses on sale of securities	0	7	(7)
<b>Total interest and other financial expenses</b>	<b>30</b>	<b>43</b>	<b>(13)</b>

### 17) Adjustments to financial assets

€ in millions	2003	2002 (restated)	Change	2002 (published)
<b>Revaluations:</b>				
- equity investments	224	108	116	38
- financial fixed assets other than equity investments	0	1	(1)	1
- securities held in current assets other than equity investments	15	7	8	0
<b>Total revaluations</b>	<b>239</b>	<b>116</b>	<b>123</b>	<b>39</b>
<b>Writedowns:</b>				
- equity investments	(306)	(874)	568	(482)
- financial fixed assets other than equity investments	(1)	(15)	14	(15)
- securities held in current assets other than equity investments	(9)	(45)	36	0
- financial receivables	(6)	(20)	14	(1)
<b>Total writedowns</b>	<b>(322)</b>	<b>(954)</b>	<b>632</b>	<b>(498)</b>
<b>Total adjustments to financial assets</b>	<b>(83)</b>	<b>(838)</b>	<b>755</b>	<b>(459)</b>

Details, by Group, are as follows:

#### Fiat Group

€ in millions	2003	2002	Change
<b>Revaluations:</b>			
- equity investments	91	68	23
- securities held in current assets other than equity investments	14	7	7
<b>Total revaluations</b>	<b>105</b>	<b>75</b>	<b>30</b>
<b>Writedowns:</b>			
- equity investments	(263)	(809)	546
- financial fixed assets other than equity investments	(1)	(84) <sup>(a)</sup>	83
- securities held in current assets other than equity investments	(8)	(45)	37
- financial receivables	(5)	(18)	13
<b>Total writedowns</b>	<b>(277)</b>	<b>(956)</b>	<b>679</b>
<b>Total adjustments to financial assets</b>	<b>(172)</b>	<b>(881)</b>	<b>709</b>

(a) This refers to the writedown of treasury stock held by the Fiat Group, eliminated on consolidation by IFIL.



Revaluations and writedowns of equity investments also include the share of the earnings and losses of companies accounted for using the equity method and the amortization of the differences on consolidation included in the carrying value of the investments.

Revaluations of equity investments in 2003 include the share of the earnings of the following companies: BUC Banca Unione di Credito € 11 million, companies in the Automobile Sector € 20 million, other companies of CNH Global N.V € 24 million and other companies € 36 million.

Revaluations of equity investments in 2002 included the share of the earnings of the following companies: other companies of CNH Global N.V. € 33 million, companies in the Automobile Sector € 15 million and other companies € 20 million.

Writedowns of equity investments include the share of the losses of the companies valued using the equity method and the permanent impairments in value of the companies valued at cost, for the following: Italenergia Bis S.p.A. € 24 million (€ 211 million in 2002), Atlanet S.p.A. € 56 million (€ 31 million in 2002), other companies of CNH Global N.V. € 9 million (€ 5 million in 2002), companies in the Automobile Sector € 112 million (€ 81 million in 2002), companies of Toro Assicurazioni for the first four months € 48 million (€ 198 million in 2002) and other companies € 14 million.

In 2002, writedowns also referred to Capitalia S.p.A. € 124 million, Lingotto S.p.A. € 30 million, Trucks & Bus Company € 17 million and other companies of the Fiat Group € 112 million.

#### **Worms & Cie Group**

€ in millions	2003	2002	Change
<b>Revaluations:</b>			
- equity investments	51	25	26
- financial fixed assets other than equity investments	0	1	(1)
- securities held in current assets other than equity investments	1	0	1
<b>Total revaluations</b>	<b>52</b>	<b>26</b>	<b>26</b>
<b>Writedowns:</b>			
- equity investments	(23)	(21)	(2)
- securities held in current assets other than equity investments	(1)	0	(1)
- financial receivables	(1)	(2)	1
<b>Total writedowns</b>	<b>(25)</b>	<b>(23)</b>	<b>(2)</b>
<b>Total adjustments to financial assets</b>	<b>27</b>	<b>3</b>	<b>24</b>

Revaluations of equity investments in 2003 include the share of the earnings of Pechel Industries € 13 million and Société Générale de Surveillance € 36 million and revaluations of equity investments held in current assets € 2 million.

Writedowns refer to the amortization of the difference on consolidation included in the carrying value of the investment in Société Générale de Surveillance.

#### **IFIL Holdings System**

€ in millions	2003	2002	Change
<b>Revaluations - equity investments</b>	<b>82</b>	<b>15</b>	<b>67</b>
<b>Writedowns:</b>			
- equity investments	(20)	(42)	22
- financial fixed assets other than equity investments	0	(15)	15
<b>Total writedowns</b>	<b>(20)</b>	<b>(57)</b>	<b>37</b>
<b>Total adjustments to financial assets</b>	<b>62</b>	<b>(42)</b>	<b>104</b>

Revaluations of equity investments in 2003 refer to the earnings of the Eurofind Group.

Writedowns include the loss of Juventus Football Club, from April 1, 2003, for € 6 million, and the amortization of the differences on consolidation included in the carrying value of the investments in Eurofind (€ 10 million) and Juventus Football Club (€ 4 million).

In 2002, the caption included the writedown on the investment in Club Méditerranée for € 34 million, amortization of the difference on consolidation for € 7 million and the writedown of IFIL treasury stock for € 15 million.

#### **NHT Group**

In 2002, writedowns of equity investments amounted to € 2 million.

### **18) Extraordinary income and expenses**

€ in millions	2003	2002 (restated)	Change	2002 (published)
<b>Extraordinary income</b>				
Gains on disposals of investments and other fixed assets	1,987	1,376	611	294
Other income:				
- prior period income	32	8	24	0
- other income	160	158	2	12
Total other income	192	166	26	12
<b>Total extraordinary income</b>	<b>2,179</b>	<b>1,542</b>	<b>637</b>	<b>306</b>
<b>Extraordinary expenses</b>				
Losses on disposals of investments and other fixed assets	(56)	(1,240)	1,184	0
Taxes relating to prior years	(27)	(80)	53	(1)
Other expenses:				
- extraordinary provisions to reserves	(609)	(1,014)	405	(33)
- other extraordinary expenses	(1,001)	(1,425)	424	(26)
- prior period expenses	(49)	(40)	(9)	0
Total other expenses	(1,659)	(2,479)	820	(59)
<b>Total extraordinary expenses</b>	<b>(1,742)</b>	<b>(3,799)</b>	<b>2,057</b>	<b>(60)</b>
<b>Total extraordinary income and expenses</b>	<b>437</b>	<b>(2,257)</b>	<b>2,694</b>	<b>246</b>

Details of extraordinary income and expenses, by Group, are as follows:

#### **Fiat Group**

€ in millions	2003	2002	Change
<b>Extraordinary income</b>			
Gains on disposals of investments and other fixed assets	1,826	1,081	745
Other income:			
- prior period income	32	8	24
- other income	159	146	13
Total other income	191	154	37
<b>Total extraordinary income</b>	<b>2,017</b>	<b>1,235</b>	<b>782</b>
<b>Extraordinary expenses</b>			
Losses on disposals of investments and other fixed assets	(50)	(1,239)	1,189
Taxes relating to prior years	(26)	(79)	53
Other expenses:			
- extraordinary provisions to reserves	(585)	(980)	395
- other extraordinary expenses	(969)	(1,400)	431
- prior period expenses	(40)	(40)	0
Total other expenses	(1,594)	(2,420)	826
<b>Total extraordinary expenses</b>	<b>(1,670)</b>	<b>(3,738)</b>	<b>2,068</b>
<b>Total extraordinary income and expenses</b>	<b>347</b>	<b>(2,503)</b>	<b>2,850</b>

Gains on disposals of investments and other fixed assets amount to € 1,826 million and relate to the gains on the following: sale of the Toro Assicurazioni Group € 427 million (€ 390 million net of the expenses and provisions connected with the transaction, classified as other extraordinary expenses), sale of the Automobile Sector's Retail financing activities in Brazil € 103 million, sale of the 55.95% investment in IPI S.p.A. € 15 million, sale of the 50.1% investment in IN ACTION S.r.l. € 8 million, sale of Fiat Avio € 1,266 million (€ 1,258 million net of the expenses connected with the transaction) and other € 7 million.

Gains on disposals of investments and other fixed assets amounted to € 1,081 million in 2002. They included the gains on the following: sale of 34% di Ferrari S.p.A. € 714 million (€ 671 million net of the expenses associated with the transaction, classified as extraordinary expenses), sale of the After Market business of Magneti Marelli € 26 million, sale of 14% of Italenergia Bis S.p.A. € 189 million, sale of the investment in Europ Assistance Holding S.A. € 83 million, sale of 50% of Targasys S.r.l. a S.U. € 36 million, sale of the residual stock of Sinport Sinergie Portuali S.p.A. € 14 million and sales of other minor investments € 19 million.

Other extraordinary income of € 159 million (€ 146 million in 2002) refers to nonrecurring income of the individual companies of the Fiat Group mainly for the release of extraordinary reserves that proved in excess of requirements.

Losses on disposals of investments and other fixed assets amount to € 50 million in 2003 (€ 1,239 million in 2002). In 2002 the item included losses on the following: sale of General Motors shares € 1,049 million, sale of the Aluminum Business Unit of Teksid € 24 million (€ 100 million including the net provisions and expenses associated with the sale, classified as other extraordinary expenses), sale of the Electronic Systems Business Unit of Magneti Marelli € 150 million (of which € 36 million arose at the time of sale and € 114 million afterwards from post-sales price adjustments and later settlement agreements), sale of Viasat S.p.A. € 3 million and other investments € 13 million.

Other extraordinary expenses amounting to € 1,594 million in 2003 include principally expenses and provisions for risks in relation to corporate restructuring transactions of the Fiat Group of € 658 million, other extraordinary writedowns of assets on the basis of changes in market prospects and the consequent new business plans of € 215 million, provisions for the remaining commitments connected with the IPSE initiative of € 47 million, expenses and provisions recorded in reference to relations existing with the IXFIN Group of € 53 million, incidental costs and other provisions connected with the sale of the Toro Assicurazioni Group of € 37 million, incidental costs and other provisions connected with other sales which took place in 2003 and in prior years of € 102 million, damages caused by flooding at the Termoli factory of € 71 million and, lastly, commissions paid to Mediobanca for the extension of the commitments undertaken by Mediobanca itself under the "Ferrari" contract of € 16 million. Other extraordinary expenses also include prior years' expenses of the Fiat Group of € 40 million.

Other extraordinary expenses of € 2,420 million in 2002 included principally expenses and provisions for risks in relation to corporate restructuring transactions of € 1,026 million, other extraordinary writedowns of assets on the basis of changes in the market prospects and the consequent new business plans of € 216 million and on the basis of the estimated realizable value indicated in the subsequently signed agreement for the sale of the Fraikin business of € 210 million. They also included additional extraordinary expenses and provisions for future risks and charges totaling € 968 million, of which the most significant are: expenses and provisions recorded for permanent impairments in value on investments in the telecommunications sector (€ 95 million), those recorded in respect of the sales contract for the Aluminum Business Unit of Teksid (€ 76 million) and those related to the incidental charges associated with the sale of Ferrari S.p.A. (€ 43 million).

Other expenses under extraordinary expenses, by Sector, are as follows:

€ in millions	2003	2002	Change
Automobiles	711	853	(142)
Agricultural and construction equipment	142	18	124
Commercial vehicles	170	466	(296)
Metallurgical products	67	149	(82)
Components	86	363	(277)
Production systems	140	144	(4)
Services	31	202	(171)
Other companies	247	225	22
<b>Total other expenses</b>	<b>1,594</b>	<b>2,420</b>	<b>(826)</b>

### **Worms & Cie Group**

€ in millions	2003	2002	Change
<b>Extraordinary income</b>			
Gains on disposals of investments and other fixed assets	115	290	(175)
Other income	0	9	(9)
<b>Total extraordinary income</b>	<b>115</b>	<b>299</b>	<b>(184)</b>
<b>Extraordinary expenses</b>			
Losses on disposals of investments and other fixed assets	(6)	0	(6)
Other expenses:			
- extraordinary provisions to reserves	(22)	(32)	10
- other extraordinary expenses	(28)	(24)	(4)
- prior period expenses	(9)	0	(9)
Total other expenses	(59)	(56)	(3)
<b>Total extraordinary expenses</b>	<b>(65)</b>	<b>(56)</b>	<b>(9)</b>
<b>Total extraordinary income and expenses</b>	<b>50</b>	<b>243</b>	<b>(193)</b>

Gains mainly refer to the sale of the 1.3% equity interest in Groupe Danone (€ 111 million). In 2002, gains mainly related to the sale of the 1.44% stake in Groupe Danone (€ 246 million) and the 0.59% interest in the Accor Group (€ 31 million).

### **NHT Group**

€ in millions	2003	2002	Change
<b>Extraordinary income</b>			
Gains on disposals of investments and other fixed assets	9	0	9
Other income	0	3	(3)
<b>Total extraordinary income</b>	<b>9</b>	<b>3</b>	<b>6</b>
<b>Extraordinary expenses</b>			
Taxes relating to prior years	(1)	0	(1)
Other extraordinary expenses	(3)	(1)	(2)
<b>Total extraordinary expenses</b>	<b>(4)</b>	<b>(1)</b>	<b>(3)</b>
<b>Total extraordinary income and expenses</b>	<b>5</b>	<b>2</b>	<b>3</b>

Gains relate to the sale of the buildings located in Turin, Milan and Trieste for € 7 million and the sale of the investment in Blumarini Hotel for € 2 million.

### IFIL Holdings System

€ in millions	2003	2002	Change
<b>Extraordinary income</b>			
Gains on disposals of investments and other fixed assets	37	5	32
Other income	1	0	1
<b>Total extraordinary income</b>	<b>38</b>	<b>5</b>	<b>33</b>
<b>Extraordinary expenses</b>			
Losses on disposals of investments and other fixed assets	0	(1)	1
Taxes relating to prior years	0	(1)	1
Other expenses:			
- extraordinary provisions to reserves	(2)	(2)	0
- other extraordinary expenses	(1)	0	(1)
Total other expenses	(3)	(2)	(1)
<b>Total extraordinary expenses</b>	<b>(3)</b>	<b>(4)</b>	<b>1</b>
<b>Total extraordinary income and expenses</b>	<b>35</b>	<b>1</b>	<b>34</b>

The gains relate to the sale of the 25% interest in Sifalberghi (€ 25 million) and the dilution generated by the disposal of Fiat treasury stock held by Toro Assicurazioni, sold by the same Fiat (€ 12 million).

### 19) Income taxes

Income taxes recorded in the consolidated statement of operations are as follows:

€ in millions	2003	2002 (restated)	Change	2002 (published)
Current taxes, net of tax credits	206	352	(146)	19
Deferred taxes	508	(731)	1,239	156
<b>Total income taxes</b>	<b>714</b>	<b>(379)</b>	<b>1,093</b>	<b>175</b>

Due to the loss before taxes for the year 2003, the comparison between the effective tax rate of the Group and the theoretical rate has no significance.

It should be noted that income taxes include the IRAP tax which has a different taxable base than income before taxes.

The reconciliation between the tax charge recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rates in effect in Italy, is the following:

€ in millions	2003
<b>Theoretical income taxes</b>	<b>(398)</b>
Utilization of tax loss carryforwards	(57)
Tax effect of permanent differences	132
Tax effect of difference between foreign tax rates and theoretical Italian tax rates	(48)
Deferred tax assets not provided	910
Other differences	47
<b>Income taxes recorded in financial statements excluding IRAP (current and deferred income taxes)</b>	<b>586</b>
IRAP	128
<b>Income taxes recorded in financial statements (current and deferred income taxes)</b>	<b>714</b>

In order to render the reconciliation between income taxes recorded in the financial statements and theoretical income taxes more meaningful, the IRAP tax is not taken into consideration. Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, the theoretical income taxes were determined applying only the tax rate in effect in Italy (IRPEG equal to 34% in 2003) to the income before taxes.

In 2003, as a result of the loss reported by the Group, the effective tax rate is not significant.

## 20) Net sales and revenues, operating income (loss), depreciation and amortization, capital expenditures by segment

€ in millions	Net sales and revenues			Operating income (loss)	Depreciation and amortization	Capital expenditures	Total assets
	Third parties	Intersegment (a)	Total				
<b>2003</b>							
<b>Fiat Group</b>							
Automobiles	19,839	171	20,010	(979)	962	1,100	20,908
Agricultural and construction equipment	9,410	8	9,418	229	450	217	12,928
Commercial vehicles	8,206	234	8,440	81	304	210	9,108
Ferrari and Maserati	1,250	11	1,261	32	85	193	965
Components	2,087	1,119	3,206	32	173	148	2,418
Production systems	1,756	537	2,293	2	56	18	4,125
Metallurgical products	735	109	844	12	49	56	739
Aviation (b)	625	0	625	53	41	33	0
Insurance (c)	1,654	0	1,654	44	16	0	0
Services	1,019	797	1,816	45	30	7	1,892
Publishing and communications	372	11	383	10	7	3	251
Other companies and eliminations (d)	318	(2,997)	(2,679)	(71)	96	26	9,377
<b>Total Fiat Group</b>	<b>47,271</b>	<b>0</b>	<b>47,271</b>	<b>(510)</b>	<b>2,269</b>	<b>2,011</b>	<b>62,711</b>
<b>Worms &amp; Cie Group - mainly paper manufacturing and distribution</b>	<b>4,214</b>	<b>0</b>	<b>4,214</b>	<b>179</b>	<b>149</b>	<b>120</b>	<b>4,962</b>
<b>NHT Group - Tourism</b>	<b>946</b>	<b>0</b>	<b>946</b>	<b>9</b>	<b>11</b>	<b>29</b>	<b>633</b>
<b>IFIL Holdings System</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>(65)</b>	<b>43</b>	<b>0</b>	<b>1,565</b>
<b>Total of the Group</b>	<b>52,435</b>	<b>0</b>	<b>52,435</b>	<b>(387)</b>	<b>2,472</b>	<b>2,160</b>	<b>69,871</b>
<b>2002</b>							
<b>Fiat Group</b>							
Automobiles	21,908	239	22,147	(1,343)	959	1,116	30,026
Agricultural and construction equipment	10,502	11	10,513	163	541	431	14,434
Commercial vehicles	8,816	320	9,136	102	424	587	10,846
Ferrari and Maserati	1,194	14	1,208	70	77	176	897
Components	2,085	1,203	3,288	(16)	190	148	2,752
Production systems	1,763	557	2,320	(101)	64	20	4,763
Metallurgical products	1,411	128	1,539	27	93	78	857
Aviation	1,532	2	1,534	210	69	130	3,206
Insurance	4,834	82	4,916	147	47	14	19,041
Services	1,005	960	1,965	67	42	14	3,306
Publishing and communications	346	14	360	3	8	3	227
Other companies and eliminations (d)	253	(3,530)	(3,277)	(91)	100	54	2,166
<b>Total Fiat Group</b>	<b>55,649</b>	<b>0</b>	<b>55,649</b>	<b>(762)</b>	<b>2,614</b>	<b>2,771</b>	<b>92,521</b>
<b>Worms &amp; Cie Group - mainly paper manufacturing and distribution</b>	<b>4,426</b>	<b>0</b>	<b>4,426</b>	<b>212</b>	<b>128</b>	<b>109</b>	<b>5,383</b>
<b>NHT Group - Tourism</b>	<b>938</b>	<b>0</b>	<b>938</b>	<b>5</b>	<b>12</b>	<b>15</b>	<b>632</b>
<b>IFIL Holdings System</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>(72)</b>	<b>107</b>	<b>0</b>	<b>1,098</b>
<b>Total of the Group</b>	<b>61,017</b>	<b>0</b>	<b>61,017</b>	<b>(617)</b>	<b>2,861</b>	<b>2,895</b>	<b>99,634</b>

(a) Intersegment net revenues include revenues between Group companies consolidated line-by-line and reporting to different Sectors. Intersegment sales are accounted for at transfer prices that are substantially in line with market conditions.

(b) The Aviation Sector's revenues are included up to July 1, 2003.

(c) The Insurance Sector's revenues are included up to May 2, 2003.

(d) Operating losses of other companies amount to € 137 million in 2003 and € 105 million in 2002.

## 21) Other information

### Research and development expenses

#### **Fiat Group**

Each year, significant expenditures are borne by the Group for research and development programs that generally cover a period of several years and which are charged to income in the year incurred.

In 2003, research and development costs expensed directly to income during the year totaled € 1,747 million (€ 1,748 million in 2002).

For the most important projects, the Fiat Group has applied for financing to the Italian government and the European Community under related legislation.

At the end of 2003, there were multiyear research and innovation projects that are being examined or for which incentives are being paid, by the above authorities, which show estimated expenditures in the relative applications amounting to approximately € 898 million (an amount which also comprises projects on which the balance of the incentives was received in the same year). The Group filed/received low-rate loans for € 142 million and grants for € 394 million in respect of these projects which could also give rise to receipts for incentives in future years. The amounts received during 2003, referring to the aforementioned expenditures, totaled € 27 million in low-rate loans and € 54 million in grants, for a cumulative total at December 31, 2003 of € 45 million in low-rate loans and € 132 million in grants.

The average interest rate on financing received for research and innovation at December 31, 2003 for the Fiat Group was 2.27% (2.49% for outstanding financing at December 31, 2002).

#### **Worms & Cie Group**

In 2003, research and development costs expensed directly to income during the year totaled € 16 million (€ 14 million in 2002).

#### **Maintenance costs**

Maintenance costs charged to income in 2003 and 2002 amounted to € 510 million and € 637 million, respectively. Details, by Group, are as follows:

€ in millions	2003	2002 (restated)	Change
Fiat Group	435	556	(121)
Worms & Cie Group	71	77	(6)
NHT Group	4	4	0
<b>Total</b>	<b>510</b>	<b>637</b>	<b>(127)</b>

#### **Advertising costs**

Advertising costs charged to income amounted to € 982 million and to € 1,170 million, respectively, in 2003 and 2002. Details, by Group, are as follows:

€ in millions	2003	2002 (restated)	Change
Fiat Group	921	1,106	(185)
Worms & Cie Group	43	44	(1)
NHT Group	18	20	(2)
<b>Total</b>	<b>982</b>	<b>1,170</b>	<b>(188)</b>

## 22) Emoluments to directors and statutory auditors

In accordance with art. 38 of Legislative Decree 127/91, the amount of emoluments to which the Directors and Statutory Auditors of IFIL S.p.A. are entitled for carrying out these functions also in other companies included in the scope of consolidation are as follows:

€ in thousands	IFIL S.p.A.	Subsidiaries	Total
Directors	2,166	2,407	4,573
Statutory auditors	146	94	240
<b>Total</b>	<b>2,312</b>	<b>2,501</b>	<b>4,813</b>

In 2002, the emoluments amounted to € 5,906 thousand, of which € 5,612 thousand were paid by IFIL and € 294 thousand by subsidiaries.



### 23) Statement of cash flows for the year ended at December 31, 2003

€ in millions	2003
<b>Cash of the IFIL Group at January 1</b>	<b>242</b>
Cash of the Fiat Group (€ 3,489 million) and Soiem (€ 2 million) at January 1	3,491
<b>A) Cash at January 1 (after changes in the scope of consolidation)</b>	<b>3,733</b>
<b>B) Cash flows provided by (used in) operating activities</b>	
Net result before minority interest	(1,729)
Amortization and depreciation	2,472
Net change in reserve for employee severance indemnities	(134)
Change in deferred income taxes	422
Net gains on disposal of fixed assets	(1,986)
Revaluations and writedowns of equity investments	649
Dividends received from unconsolidated subsidiaries	37
Change in current assets and liabilities:	
- trade receivables	174
- net inventories	(381)
- trade payables	(28)
- other payables, receivables, accruals and deferrals	(586)
- reserves for income taxes and other reserves	(274)
- change in the scope of consolidation and others	(91)
<b>Total cash flows provided by (used in) operating activities</b>	<b>(1,455)</b>
<b>C) Cash flows provided by (used in) investment activities</b>	
Investments in:	
- property, plant and equipment	(2,160)
- equity investments	(327)
- tangible assets and deferred charges	(515)
Investment grants	134
Proceeds from the sale of fixed assets	4,413
Net change in financial receivables	1,149
Change in securities in current assets and fixed assets	(3,063)
Other changes	3,262
<b>Total cash flows provided by (used in) investment activities</b>	<b>2,893</b>
<b>D) Cash flows provided by (used in) financing activities</b>	
Increase in borrowings	2,559
Repayment of borrowings	(6,948)
Net change in short-term borrowings	934
Increase in capital stock	1,819
Purchase of treasury stock	(20)
Distribution of profits and reserves	(54)
<b>Total cash flows provided by (used in) financing activities</b>	<b>(1,710)</b>
<b>E) Total change in cash</b>	<b>(272)</b>
<b>F) Cash at December 31</b>	<b>3,461</b>

#### 24) Translation of foreign financial statements

The principal exchange rates used in 2003 and 2002 to translate foreign currency financial statements into euros are the following:

	2003		2002	
	Average	At 12/31/2003	Average	At 12/31/2002
U.S. dollar	1.131	1.263	0.944	1.049
British pound	0.692	0.705	0.628	0.651
Swiss franc	1.521	1.558	1.467	1.452
Polish zloty	4.398	4.717	3.854	4.020
Brazilian real	3.474	3.649	2.765	3.705
Argentine peso	3.335	3.713	2.957	3.534

Turin, March 29, 2004

For the Board of Directors  
The Chairman and Chief Executive Officer  
Gianluigi Gabetti

# IFIL S.p.A.

# IFIL S.p.A.

<b>BALANCE SHEET - ASSETS (in €)</b>	<b>12/31/2003</b>	<b>12/31/2002</b>	<b>Change</b>
<b>FIXED ASSETS</b>			
<b>Intangible fixed assets</b>			
Start-up and expansion costs	8,933,802	0	8,933,802
<b>Property, plant and equipment</b>			
Industrial and commercial equipment	11,003	31,886	(20,883)
<b>Financial fixed assets</b>			
Investments in subsidiaries	3,303,459,308	1,773,274,419	1,530,184,889
Investments in associated companies	0	554,407,049	(554,407,049)
Investments in other companies	463,196,503	151,398,666	311,797,837
Total investments	3,766,655,811	2,479,080,134	1,287,575,677
Treasury stock	41,686,783	41,686,731	52
<b>Total financial fixed assets</b>	<b>3,808,342,594</b>	<b>2,520,766,865</b>	<b>1,287,575,729</b>
<b>TOTAL FIXED ASSETS</b>	<b>3,817,287,399</b>	<b>2,520,798,751</b>	<b>1,296,488,648</b>
<b>CURRENT ASSETS</b>			
<b>Receivables from (a)</b>			
Subsidiaries	138,278	104,136	34,142
Associated companies	0	3,564	(3,564)
Parent company	0	87,798	(87,798)
Others	63,816,759	51,037,325	12,779,434
<b>Total receivables</b>	<b>63,955,037</b>	<b>51,232,823</b>	<b>12,722,214</b>
<b>Financial assets not held as fixed assets</b>			
Treasury stock	1,691,713	0	1,691,713
<b>Cash and banks</b>			
Bank and post office accounts	151,772	73,963	77,809
Cash on hand	8,564	9,713	(1,149)
<b>Total cash</b>	<b>160,336</b>	<b>83,676</b>	<b>76,660</b>
<b>TOTAL CURRENT ASSETS</b>	<b>65,807,086</b>	<b>51,316,499</b>	<b>14,490,587</b>
<b>ACCRUED INCOME AND PREPAID EXPENSES</b>			
Prepaid expenses	1,138,479	655,612	482,867
Issue discounts	143,280	0	143,280
<b>TOTAL ACCRUED INCOME AND PREPAID EXPENSES</b>	<b>1,281,759</b>	<b>655,612</b>	<b>626,147</b>
<b>TOTAL ASSETS</b>	<b>3,884,376,244</b>	<b>2,572,770,862</b>	<b>1,311,605,382</b>

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

# IFIL S.p.A.

<b>BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY (in €)</b>	<b>12/31/2003</b>	<b>12/31/2002</b>	<b>Change</b>
<b>STOCKHOLDERS' EQUITY</b>			
Capital stock	1,075,195,737	441,737,647	633,458,090
Additional paid-in capital	1,049,454,391	800,643,807	248,810,584
Revaluation reserve			
Revaluation reserve Law 408/90	243,894,287	243,894,287	0
Property revaluation reserve Law 413/91	2,586,032	2,586,032	0
Total revaluation reserves	246,480,319	246,480,319	0
Legal reserve	145,764,918	100,923,211	44,841,707
Special gain reserve Law 169/83	0	248,029	(248,029)
Treasury stock valuation reserve	43,378,496	41,686,731	1,691,765
Other reserves			
Extraordinary reserve	198,096,219	198,093,105	3,114
Undistributable reserve from cancellation of treasury stock	65,102,355	25,152,015	39,950,340
Dividend equalization reserve	0	2,458,102	(2,458,102)
Merger surplus reserve	0	93,089,710	(93,089,710)
Reserve for purchase of treasury stock	298,308,287	389,119,297	(90,811,010)
Total other reserves	561,506,861	707,912,229	(146,405,368)
Net income (loss)	72,671,094	(516,392,370)	589,063,464
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>3,194,451,816</b>	<b>1,823,239,603</b>	<b>1,371,212,213</b>
<b>RESERVES FOR RISKS AND CHARGES</b>			
Income tax reserves	5,749,183	11,003,709	(5,254,526)
Other reserves	0	2,817,800	(2,817,800)
<b>TOTAL RESERVES FOR RISKS AND CHARGES</b>	<b>5,749,183</b>	<b>13,821,509</b>	<b>(8,072,326)</b>
<b>RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES</b>	<b>1,589,707</b>	<b>1,838,490</b>	<b>(248,783)</b>
<b>PAYABLES <sup>(a)</sup></b>			
Bonds 2002-2005	200,000,000	145,000,000	55,000,000
Bonds 2003-2006	100,000,000	0	100,000,000
Borrowings from banks due within one year	216,936,671	428,474,423	(211,537,752)
Borrowings from banks due beyond one year	150,000,000	150,000,000	0
Trade payables	820,333	506,460	313,873
Payables to subsidiaries	9,128,464	46	9,128,418
Payables to associated companies	0	523,861	(523,861)
Payables to parent company	201,156	72,707	128,449
Taxes payable due within one year	396,855	307,361	89,494
Social security payable due within one year	314,906	199,493	115,413
Social security payable due beyond one year	71,576	0	71,576
Other payables	2,218,732	3,098,160	(879,428)
<b>TOTAL PAYABLES</b>	<b>680,088,693</b>	<b>728,182,511</b>	<b>(48,093,818)</b>
<b>ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>2,496,845</b>	<b>5,688,749</b>	<b>(3,191,904)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>3,884,376,244</b>	<b>2,572,770,862</b>	<b>1,311,605,382</b>
<b>GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS</b>			
<b>Commitments</b>			
Contracts to hedge interest rate risk	295,000,000	459,874,139	(164,874,139)
Purchase of investments	162,390,909	199,503,328	(37,112,419)
<b>Total commitments</b>	<b>457,390,909</b>	<b>659,377,467</b>	<b>(201,986,558)</b>
<b>Other memorandum accounts</b>			
Securities held in deposit by third parties for stock lending	113,568,000	0	113,568,000
Securities held in deposit by third parties	54,000,000	54,000,000	0
Shares to be delivered	3,232	3,232	0
<b>Total other memorandum accounts</b>	<b>167,571,232</b>	<b>54,003,232</b>	<b>113,568,000</b>

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

# IFIL S.p.A.

<b>STATEMENT OF OPERATIONS</b> (in €)	<b>Year 2003</b>	<b>Year 2002</b>	<b>Change</b>
<b>VALUE OF PRODUCTION</b>			
Revenues from sales and services	1,148,367	322,576	825,791
Other income and revenues	262,404	358,338	(95,934)
<b>TOTAL VALUE OF PRODUCTION</b>	<b>1,410,771</b>	<b>680,914</b>	<b>729,857</b>
<b>COSTS OF PRODUCTION</b>			
Raw materials, supplies and merchandise	(92,682)	(84,650)	(8,032)
Services	(6,331,771)	(8,842,045)	2,510,274
Leases and rentals	(977,288)	(892,435)	(84,853)
Personnel			
salaries and wages	(3,359,352)	(2,892,444)	(466,908)
social security contributions	(994,005)	(862,017)	(131,988)
employee severance indemnities	(373,363)	(409,786)	36,423
other costs	(158,148)	(352,030)	193,882
	<b>(4,884,868)</b>	<b>(4,516,277)</b>	<b>(368,591)</b>
Amortization, depreciation and writedowns			
amortization of intangible fixed assets	(2,233,450)	(207)	(2,233,243)
depreciation of property, plant and equipment	(22,977)	(11,797)	(11,180)
	<b>(2,256,427)</b>	<b>(12,004)</b>	<b>(2,244,423)</b>
Other operating costs	(2,509,478)	(2,168,007)	(341,471)
<b>TOTAL COSTS OF PRODUCTION</b>	<b>(17,052,514)</b>	<b>(16,515,418)</b>	<b>(537,096)</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Investment income			
Dividends and tax credits relating to:			
subsidiaries	55,089,962	19,060,782	36,029,180
associated companies	976,563	28,787,747	(27,811,184)
other companies	32,986,406	22,846,313	10,140,093
	<b>89,052,931</b>	<b>70,694,842</b>	<b>18,358,089</b>
Gains on sale of investment in subsidiary	0	1,855,000	(1,855,000)
Gain on sale of investment in associated company	22,951,022	0	22,951,022
	<b>22,951,022</b>	<b>1,855,000</b>	<b>21,096,022</b>
Other financial income	1,354,005	1,297,271	56,734
Interest and other financial expenses from			
subsidiaries	(248,190)	0	(248,190)
parent company	(74,067)	0	(74,067)
others	(29,633,174)	(34,547,526)	4,914,352
	<b>(29,955,431)</b>	<b>(34,547,526)</b>	<b>4,592,095</b>
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>83,402,527</b>	<b>39,299,587</b>	<b>44,102,940</b>
<b>VALUATION ADJUSTMENTS</b>			
Writedowns of financial fixed assets	0	(537,669,735)	537,669,735
<b>TOTAL VALUATION ADJUSTMENTS</b>	<b>0</b>	<b>(537,669,735)</b>	<b>537,669,735</b>
<b>EXTRAORDINARY INCOME AND EXPENSES</b>			
Income	30,297	42,640	(12,343)
Expenses	(357,672)	(16,200)	(341,472)
<b>TOTAL EXTRAORDINARY INCOME AND EXPENSES</b>	<b>(327,375)</b>	<b>26,440</b>	<b>(353,815)</b>
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>67,433,409</b>	<b>(514,178,212)</b>	<b>581,611,621</b>
<b>INCOME TAXES</b>	<b>5,237,685</b>	<b>(2,214,158)</b>	<b>7,451,843</b>
<b>NET INCOME (LOSS)</b>	<b>72,671,094</b>	<b>(516,392,370)</b>	<b>589,063,464</b>

## NOTES TO THE STATUTORY FINANCIAL STATEMENTS

### STRUCTURE AND CONTENT OF STATUTORY FINANCIAL STATEMENTS

The statutory financial statements for the year ended December 31, 2003 are expressed in euros and have been prepared in accordance with the provisions of the Italian Civil Code in force prior to the changes introduced by Legislative Decree No. 6 dated January 17, 2003 (reform of the law on corporations and cooperatives), as stated therein.

The balance sheet and statement of operations show the changes in the individual captions on the face of the statements. In the Notes, prepared in accordance with the provisions of art. 2427 of the Italian Civil Code, the comments are limited to the principal changes. Unless otherwise indicated, all amounts in the notes are expressed in thousands of euros. In the "Annexes", which are an integral part of these notes, information is shown which is either required by current laws or presented as additional disclosure for purposes of clarity and completeness of the financial statements, including the information requested by Recommendation No. 94001437 dated February 23, 1994 issued by the National Commission for Corporations and the Stock Exchange (Consob).

### SIGNIFICANT ACCOUNTING POLICIES

Pursuant to article 2423 bis of the Italian Civil Code, the financial statements have been prepared on the basis of the general principle of prudence, using the accrual basis of accounting and according to the going-concern concept. The accounting policies have been applied on a basis consistent with the prior year and such principles are in compliance with those laid down in article 2426 of the Italian Civil Code.

Furthermore, there were no departures from paragraph 4 of article 2423 of the Italian Civil Code in preparing these financial statements.

#### **Intangible fixed assets**

Intangible fixed assets are recorded at cost of acquisition and amortized on a straight-line basis over a period of not more than five years. Unamortized intangible fixed assets are covered by available reserves.

#### **Property, plant and equipment**

These are stated at cost of acquisition, including accessory charges, net of accumulated depreciation. Depreciation is calculated on a straight-line basis each year over the estimated useful lives of the assets.

In view of the nature of the property, plant and equipment, depreciation is calculated at the ordinary depreciation rates plus the rates for allowable accelerated depreciation. For property, plant and equipment purchased during the year, these rates are reduced by half. Purchases of assets of below € 516 are entirely expensed in the year of purchase.

#### **Financial fixed assets**

Financial fixed assets are valued at cost of acquisition, including accessory charges, determined using the LIFO method.

If, at the balance sheet date, the investment value is determined to have suffered a permanent impairment in value to below the cost of acquisition as defined above, it is written down to the lower value.

Should the reasons for the writedowns no longer apply, the value of the financial fixed assets will be reinstated up to the limit of the cost of acquisition; for financial fixed assets prior to the enactment of Legislative Decree 127/91, this limit is represented by the amounts recorded in the financial statements at December 31, 1992.

#### **Receivables**

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

#### **Financial assets not held as fixed assets**

These are stated at the lower of the cost of acquisition, including accessory charges, determined using the LIFO method and realizable value. If realizable value can be determined from the market trend, it is defined as the average market prices for the last month of the year. Should the reasons for the writedown no longer apply, the value of current financial assets will be reinstated up to the limit of the cost of acquisition.

#### **Accrued income and prepaid expenses**

These are income and expenses, common to two or more years, calculated on the accrual principle with the matching of costs and revenues of the year.



**Employee severance indemnities**

Employee severance indemnities, revalued on the basis of indexes, and determined in accordance with labor legislation and contracts, reflects the liability in respect of all employees. This liability is calculated in reference to the years of service and the employee's annual salary, in accordance with art. 2120 of the Italian Civil Code. The reserve also includes the liability pursuant to the company agreements dated December 23, 1999.

**Payables**

Payables are recorded at nominal value and include, where applicable, accrued interest payable at the end of the year.

**Guarantees, commitments and other memorandum accounts**

Derivative financial instruments used to hedge exchange and interest rate risks and, in general, the fluctuations in the value of assets and liabilities, are recorded under "Commitments".

Such contracts form part of the results for the year on the basis of the accrual principle.

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

Securities held in deposit for stock lending are shown at the market price on the day of the opening of the contract. Securities held in deposit by third parties and shares to be delivered are shown at their nominal value.

**Dividends**

Dividends are recorded in the year in which they are declared. The related tax credit is recorded at the time the dividends are received.

**Financial income and expenses**

Financial income and expenses are recorded in the financial statements based on the accrual concept. As for financial instruments used to hedge interest rate risk, the interest differentials are recognized in the statement of operations based on the accrual concept.

**Extraordinary income and expenses**

Extraordinary income and expenses are generated by events unrelated to ordinary activities or by income and expenses relating to prior years.

**Income taxes**

Irpeg and Irap taxes for the current year are calculated on the basis of the tax legislation in force prior to the changes introduced by Legislative Decree No. 344 dated December 12, 2003.

Deferred taxes are calculated on temporary differences between the results for book and tax purposes and deferred tax liabilities are recorded in a specific reserve in liabilities; any deferred tax assets are recorded in "Other receivables" only if there is reasonable certainty of their future recovery. Deferred tax assets and liabilities are offset where allowed by law.

**Transactions denominated in foreign currency**

Transactions in currencies other than the euro are recorded at the exchange rates agreed with the counterparts or, in their absence, at the exchange rate as of the date of transaction.

Receivables and payables in currencies other than the euro are adjusted to the year-end exchange rate, with a contra-entry in the statement of operations.

## ANALYSIS OF THE INDIVIDUAL ITEMS OF THE BALANCE SHEET

### Intangible fixed assets

Intangible fixed assets (€ 8,934 thousand) include the costs for capital stock increases carried out in 2003 (€ 11,167 thousand), net of amortization which is calculated over a period of five years (€ 2,233 thousand for 2003).

### Property, plant and equipment

The analysis of the changes in 2003 is summarized as follows:

€ in thousands	Depreciation rate	Original costs	Acc. depreciation	Net book value
<b>Office furniture and equipment, motor vehicles</b>		24/50		
Balance at December 31, 2002		205	(173)	32
Increase (Depreciation)		2	(23)	(21)
(Decrease) Disposal, retirements, etc.		(7)	7	0
<b>Total property, plant and equipment</b>		<b>200</b>	<b>(189)</b>	<b>11</b>

### Financial fixed assets - Investments

Details of investments and the percentage holdings of the classes of capital stock are summarized in the following table:

€ in thousands	12/31/2003		12/31/2002	
	%	Carrying value	%	Carrying value
<b>Subsidiaries</b>				
Fiat S.p.A. (ordinary shares)	30.06	1,600,675	12.40	476,420 (a)
Fiat S.p.A. (preferred shares)	30.09	146,890	11.13	59,398 (a)
Fiat S.p.A. (warrants 2007 on ordinary shares)	-	3,578	-	0 (a)
		<b>1,751,143</b>		<b>535,818</b>
Ifil Investissements S.A.	79.82	1,356,060	79.82	1,610,499
Ifil Investment Holding N.V.	100.00	162,775	100.00	162,775
Soiem S.p.A.	100.00	21,746	49.90	9,540 (a)
Juventus Football Club S.p.A.	62.01	11,725	-	0
New Business Quindici S.r.l.	100.00	10	-	0
		<b>3,303,459</b>		<b>2,318,632</b>
<b>Associated companies</b>				
Sifalberghi S.r.l.	-	0	25.00	9,049
<b>Other companies</b>				
SANPAOLO IMI S.p.A.	4.86	463,194	1.77	151,396
<b>Other companies - Consortiums</b>	-	<b>3</b>	-	<b>3</b>
<b>Total investments</b>		<b>3,766,656</b>		<b>2,479,080</b>

(a) Associated companies up to December 31, 2002.

Changes during the year in investments are presented below:

€ in thousands	Balance at 12/31/2002	Changes during the year			Balance at 12/31/2003
		Additions	Investments	Other changes	
<b>Subsidiaries</b>					
Fiat S.p.A. (ordinary shares)	476,420 (a) (b)	560,995	549,608	13,652 (f)	<b>1,600,675</b>
Fiat S.p.A. (preferred shares)	59,398 (a) (c)	101,144		(13,652) (f)	<b>146,890</b>
Fiat S.p.A. (warrants 2007 on ordinary shares)	0 (a)	3,578			<b>3,578</b>
	<b>535,818</b>	<b>665,717</b>	<b>549,608</b>	<b>0</b>	<b>1,751,143</b>
Ifil Investissements S.A.	1,610,499			(254,439)	<b>1,356,060</b>
Ifil Investment Holding N.V.	162,775 (d)				<b>162,775</b>
Soiem S.p.A.	9,540 (a) (e)	9,444	2,762		<b>21,746</b>
Juventus Football Club S.p.A.	0	11,725			<b>11,725</b>
New Business Quindici S.r.l.	0		10		<b>10</b>
	<b>2,318,632</b>	<b>686,886</b>	<b>552,380</b>	<b>(254,439)</b>	<b>3,303,459</b>
<b>Associated companies</b>					
Sifalberghi S.r.l.	9,049			(9,049)	<b>0</b>
<b>Other companies</b>					
SANPAOLO IMI S.p.A.	151,396	107,661	204,137	0	<b>463,194</b>
<b>Other companies - consortiums</b>					
	3				<b>3</b>
<b>Total investments</b>	<b>2,479,080</b>	<b>794,547</b>	<b>756,517</b>	<b>(263,488)</b>	<b>3,766,656</b>

(a) Associated companies up to December 31, 2002.

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

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

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

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

(f) Reclassification of the cost of the rights carried on Fiat preferred shares used to subscribe to new Fiat ordinary shares.

The changes during the year, more fully described in the Report on Operations under "Major events in 2003" and "Analysis of IFIL S.p.A. statutory results", are presented below.

Following the resolution passed by the Extraordinary Stockholders' Meeting of IFIL on April 23, 2003, IFIL received the following investments and warrants from the parent company IFI:

	Number	% of class of stock	Contribution value			
			Accounting value		Economic value	
			Per share (€)	Total (€ thd)	Per share (€)	Total (€ thd)
Fiat ordinary shares	77,944,334	17.99%	7.197	560,995	8.869	691,288
Fiat preferred shares	19,582,500	18.96%	5.165	101,144	5.165	101,144
Warrants 2007 on Fiat ordinary shares	11,216,334	-	0.319	3,578	0.319	3,578
SANPAOLO IMI ordinary shares	16,300,000	1.13%	6.605	107,661	6.605	107,661
Juventus Football Club	74,992,103	62.01%	0.156	11,725	1.823	136,711
Soiem	18,286,500	50.10%	0.516	9,444	0.633	11,572
<b>TOTAL</b>				<b>794,547</b>		<b>1,051,954</b>

The economic value of the contribution was calculated (with the exception of Soiem, which is unlisted and valued at net asset value) on the basis of the average official market prices in the period between September 2, 2002 and February 28, 2003 and resulted in a total of € 1,051,954 thousand.

The contribution, however, was recorded for € 794,547 thousand in that, in accordance with the provisions of art. 3 of Legislative Decree No. 358 of October 8, 1997, the Fiat ordinary shares, the Juventus Football Club shares and the Soiem shares (representing investments in subsidiaries or affiliates) were contributed with a view to the continuity of the accounting values recorded in the financial statements of IFI S.p.A. for the year ended December 31, 2002, whereas the SANPAOLO IMI ordinary shares, the Fiat preferred shares and the Fiat 2007 warrants on ordinary shares were contributed at economic values.

The additions include:

- subscription to 108,921,627 Fiat ordinary shares at the per share price of € 5 for a total of € 549,608 thousand (inclusive of the purchase of 18,791,725 subscription rights for € 5,000 thousand);
- payment of € 2,762 thousand to the subsidiary Soiem to be used to set up the undistributable reserve, pursuant to art. 2359 bis, paragraph 4, of the Italian Civil Code, in respect of the carrying value of IFIL ordinary shares owned by Soiem;
- purchase of 28,419,000 SANPAOLO IMI ordinary shares (equal to 1.96% of ordinary capital stock) from Ifil Investissements at a per share price of € 7.183 (corresponding to the average market price during the period April 9, 2003 – May 9, 2003) for a total of € 204,137 thousand. The transaction was entered into so that the entire investment in SANPAOLO IMI could be concentrated in IFIL S.p.A.

Other changes include:

- partial reimbursement of additional paid-in capital by Ifil Investissements for € 254,439 thousand, posted as a reduction of the carrying value in the investment itself;
- sale of 25% of the capital stock of Sifalberghi to Accor Group for € 32,000 thousand, realizing a gain of € 22,951 thousand.

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

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

€ in millions	Fiat ord.	Fiat pref.	Warrants 2007	SANPAOLO		Total
	shares	shares	Fiat ord. shares	IMI	Juventus	
Market price at December 30, 2003	(123.0)	(31.8)	0.3	269.6	114.0	229.1
Average market price in the second half of 2003	(76.6)	(28.2)	1.6	193.9	133.5	224.2
Average market price March 1-17, 2004, update	(133.8)	(31.4)	0.2	256.8	105.4	197.2

The unrealized losses on Fiat shares are not considered representative of a permanent decline in value in that they refer to a controlling institutional investment; moreover, the per share carrying values of Fiat ordinary and preferred shares (respectively, € 6.65 and € 4.73) are lower than the per share value of the consolidated stockholders' equity of the Fiat Group at December 31, 2003 (€ 6.91).

The carrying value of the investment in Soiem S.p.A. is higher than the net equity shown in the financial statements for the year ending December 31, 2003; pursuant to art. 2426, paragraph 3, of the Italian Civil Code, a statement is made to the effect that, taking into account the writedowns made in previous years and the amount of the assets of the subsidiary, no adjustments have been made to the carrying value.

#### Financial fixed assets – Treasury stock

The following transactions in treasury stock were entered into by IFIL during the year:

	Number of shares	Per share (€)	Total (€ in thousands)
<b>Ordinary shares</b>			
Balance at December 31, 2002	3,946,896	4.13	16,313
Conversion of savings shares to ordinary shares (17 new ordinary shares for every 20 savings shares held)	7,170,252	3.54	25,374
<b>Balance at December 31, 2003</b>	<b>11,117,148</b>	<b>3.75</b>	<b>41,687</b> (a)
<b>Savings shares</b>			
Balance at December 31, 2002	8,435,575	3.01	25,374
Purchases	14	3.69	n.s.
Conversion to ordinary shares	(8,435,589)		(25,374)
<b>Balance at December 31, 2003</b>	<b>0</b>		<b>0</b>

(a) Net of writedowns of € 17,430 thousand.

IFIL shares in portfolio at December 31, 2003 have a par value of € 11,117 thousand and represent 1.07% of the class of stock and 1.03% of capital stock.

On the basis of the average market prices for the second half of 2003 (€ 2.33), there is an unrealized loss on IFIL ordinary shares of € 15.8 million, which decreases significantly (€ 10.2 million) when considering the average market prices for the period March 1 to March 17, 2004 (€ 2.84).

Such unrealized loss is not considered representative of a permanent decline in value taking also into account that the per share carrying value of IFIL ordinary shares (€ 3.75) is in any case substantially in line with the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2003 (€ 3.68).

Additional details are provided in Annex 3.

#### Current assets – Receivables from subsidiaries

€ in thousands	12/31/2003	12/31/2002	Change
La Rinascente S.p.A. (a)	64	57	7
Ifil Investment Holding N.V.	17	13	4
Ifil Investissements S.A.	12	15	(3)
Alpitour S.p.A.	5	4	1
Soiem S.p.A.	24	0	24
Ifil International Finance Ltd	4	0	4
Ifil Finance BV	4	0	4
Sici S.p.A.	5	0	5
Juventus Football Club S.p.A.	2	0	2
Worms & Cie S.A.	0	15	(15)
Other companies	1	0	1
<b>Total receivables from subsidiaries</b>	<b>138</b>	<b>104</b>	<b>34</b>

(a) Company subject to joint control with the Auchan Group.

The above receivables from subsidiaries originated from the performance of services, cost recoveries for personnel on loan and fees for the posts held by employees of IFIL on the Boards of these companies.

#### Current assets – Receivables from others

€ in thousands	12/31/2003	12/31/2002	Change
Receivables from the tax authorities for prior years' taxes, refunds requested	51,206	34,453	16,753
Receivables from the tax authorities for current and prior years' taxes, carried forward	12,333	16,528	(4,195)
Customers	189	0	189
Sundry	89	56	33
<b>Total receivables from others</b>	<b>63,817</b>	<b>51,037</b>	<b>12,780</b>

There are no receivables due beyond five years.

The changes in receivables from the tax authorities for the year 2003 are as follows:

€ in thousands	Refunds requested	Carried forward	Total
Balance at December 31, 2002	34,453	16,528	50,981
Arising in 2003 (taxes and withholdings)	0	12,321	12,321
Used to compensate withholdings payable	0	(516)	(516)
Sale to Francorosso Incentive S.p.A.	0	(250)	(250)
Interest earned during the year	1,003	0	1,003
Refunds requested for receivables	15,750	(15,750)	0
<b>Balance at December 31, 2003</b>	<b>51,206</b>	<b>12,333</b>	<b>63,539</b>

#### Current assets – Treasury stock

700,000 IFIL ordinary shares designated for stock option plans were purchased during the year. Such shares, carried at a total of € 1,692 thousand at a per share price of € 2.42, have a par value of € 700 thousand and represent 0.07% of the class of stock and capital stock. The comparison of the carrying value of these shares with the average market price in December, shows a gain of € 130 thousand.

#### Prepaid expenses

Prepaid expenses total € 1,282 thousand (€ 656 thousand at December 31, 2002) and relate to portions of costs referring to future years. In particular, costs incurred for the issue of IFIL bonds 2002/2005 and IFIL bonds 2003/2006 totaling € 1,108 thousand, of which € 143 thousand is for issue discounts, will be expensed to the statement of operations over the period of the bonds.

#### Capital Stock

At December 31, 2003, the capital stock of IFIL S.p.A., fully subscribed to and paid in, amounts to € 1,075,195,737 and is composed of 1,037,812,717 ordinary shares and 37,383,020 savings shares of par value € 1 each.

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

The changes in capital stock during the year are analyzed below:

Number of shares	Ordinary shares	Savings shares	Total
At December 31, 2002	257,655,009	184,082,638	441,737,647
Capital increase reserved for IFI	167,450,949	119,635,991	287,086,940
Conversion of savings shares to ordinary shares (ratio 20:17)	226,385,269	(266,335,609)	(39,950,340)
Capital stock increase by payment at the per share price of € 1.3 (of which par value € 1 and additional paid-in capital € 0.3)	386,321,490	0	386,321,490
<b>At December 31, 2003</b>	<b>1,037,812,717</b>	<b>37,383,020</b>	<b>1,075,195,737</b>

In execution of the resolution passed by the Extraordinary Stockholders' Meeting on April 23, 2003, in exchange for the contribution of investments and warrants by the parent company, IFI, (also refer to the note on "Financial fixed assets – Investments"), IFIL issued to IFI 167,450,949 ordinary shares at the accounting per share price of approximately € 3.122 and 119,635,991 savings shares at the accounting per share price of approximately € 2.272. The par value of the IFIL shares issued amounted to € 287,086,940, plus € 507,460,128 of additional paid-in capital, for a total of € 794,547,068.

In May 2003, the voluntary conversion of IFIL savings shares to IFIL ordinary shares based upon a conversion ratio of 17 IFIL ordinary shares for every 20 IFIL savings shares was closed without payment of any cash differential. There were 266,335,609 IFIL savings shares (equal to 87.69% of savings capital stock) converted to 226,385,269 IFIL ordinary shares, which bear the same features and have the same rights as the shares outstanding. The remaining 39,950,340 IFIL savings shares were cancelled in September 2003, in conformity with the provisions of article 2445 of the Italian Civil Code, with the consequent reduction of the capital stock by € 39,950,340. In order to provide greater protection to the creditors of the company, the par value of the cancelled IFIL savings shares has

been posted to an undistributable reserve except, upon authorization of the Extraordinary Stockholders' Meeting, it can be used for allocation to the capital stock account or to cover losses.

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

At the end of the rights offering period, 383,794,965 new IFIL ordinary shares were subscribed to, equal to 99.35% of the shares offered. Following the subsequent offering of the 4,432,500 unexercised rights on the market (which generated proceeds for IFIL of € 1.8 million that were allocated as an increase to stockholders' equity), the remaining 2,526,525 new IFIL ordinary shares were subscribed to in August.

The capital stock increase was therefore concluded, without the intervention of the Underwriting Syndicate, with the subscription of the entire issue of 386,321,490 ordinary shares offered for total proceeds of € 504 million (of which € 1.8 million came from the sale of the unexercised rights).

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

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

At December 31, 2003, capital stock includes € 1,342 thousand of transfer from the revaluation reserves set up in the past, which, in the case of distribution, would form part of the taxable income of the Company.

## Reserves

The statement of changes in stockholders' equity is presented in Annex 4.

At December 31, 2003, untaxed reserves are recorded for a total amount of € 247,177 thousand, of which € 243,894 thousand relate to the Revaluation reserve formed under Law 408/90, € 2,586 thousand to the Revaluation reserve formed under Law 413/91 and € 697 thousand to other reserves.

In the event of distribution, these reserves would form part of the taxable income of the Company. In view of the unlikelihood of their distribution, no deferred taxes have been set aside in respect of such reserves.

## Reserves for risks and charges

Details are as follows:

€ in thousands	
Deferred income tax reserve	4,939
Income tax reserve	810
<b>Balance at December 31, 2003</b>	<b>5,749</b>



### Reserve for employee severance indemnities

This reserve refers to the liability for employee severance indemnities, calculated in accordance with art. 2120 of the Italian Civil Code, as well as the liability in respect of employees arising from the December 23, 1999 agreement.

Details of the changes are as follows:

€ in thousands	Employee Sever. Indem.	Agreement 12/23/1999	Total
Balance at December 31, 2002	1,507	331	1,838
Provisions	269	105	374
Transfers from other Group companies	359	64	423
Payments and advances	(912)	(133)	(1,045)
<b>Balance at December 31, 2003</b>	<b>1,223</b>	<b>367</b>	<b>1,590</b>

### IFIL bonds 2002/2005

In February 2003, a second tranche of IFIL 2002/2005 bonds was issued for € 55 million. Following the resolution passed by the Board of Directors' Meeting on November 14, 2002, these bonds were issued at the end of December 2003 for € 200 million (€ 145 million at December 31, 2002). The bonds, subscribed to by primary institutional investors, bear interest at floating rates payable quarterly and are indexed against the Euribor.

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

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

### IFIL bonds 2003/2006

Following the resolution passed by the Board of Directors' Meeting on December 2, 2003, new three-year bonds were issued at the end of December for € 100 million, subscribed to by primary institutional investors; the bonds bear interest at floating rates payable quarterly and are indexed against the Euribor. The bonds are repayable by a one time payment at maturity on December 19, 2006.

### Borrowings from banks due within one year

These amount to € 216,937 thousand (€ 428,474 thousand at December 31, 2002). Against these borrowings, the company has irrevocable lines of credit available totaling € 710 million, of which € 410 million is due beyond one year.

### Borrowings from banks due beyond one year

These refer to loans totaling € 150,000 thousand due at the end of October 2005.

Interest rate swap contracts were put into place to ensure fixed interest rates over the period of the loans.

Loans are classified as due beyond one year on the basis of the residual period of the loan and the period of the hedging contracts. The residual maturity on these borrowings is less than five years.

### Payables to subsidiaries

Payables to subsidiaries amount to € 9,128 thousand, of which € 8,556 thousand is due to the subsidiary Soiem for a loan granted at market rates. The remaining amount of € 572 thousand refers to trade payables.

Details are as follows:

€ in thousands	12/31/2003	12/31/2002	Change
Soiem S.p.A. (financial payables) (a)	8,556	0	8,556
Soiem S.p.A. (trade payables) (a)	515	0	515
Savarent S.p.A. (a)	22	0	22
Fiat Sepin S.p.A. (a)	10	0	10
La Rinascente S.p.A.	7	0	7
Other payables	18	0	18
<b>Total payables to subsidiaries</b>	<b>9,128</b>	<b>0</b>	<b>9,128</b>

(a) Classified in payables to associated companies at December 31, 2002.

### Payables to parent company

They refer to payables totaling € 201 thousand due to the parent company IFI S.p.A. for the performance of services and employees on loan (€ 73 thousand in 2002).

### Taxes payable due within one year

Taxes payable amount to € 397 thousand (€ 307 thousand in 2002) and relate to Irpef withholding taxes. The Company has agreed its tax years up to December 31, 1998.

The company took advantage of the tax amnesty (Law 289/2002 as amended) opting to apply art. 8 (simple supplement) relating to the years 1997-2001.

The company also used the amnesty to close pending and potential tax litigation relating to prior years (art. 15 and 16 of Law 289/2002). The total cost incurred amounted to € 17 thousand.

### Social security payable

€ in thousands	12/31/2003	12/31/2002	Change
<b>Due within one year</b>			
INPS solidarity fund (MD No. 158 dated 4/28/2000)	159 (a)	0	159
INPS social security contributions on salaries and unused vacation and holidays	226	198	28
INAIL	1	1	0
<b>Total</b>	<b>386</b>	<b>199</b>	<b>187</b>

(a) Including € 72 thousand due beyond one year.

Ministerial Decree No. 158 dated April 28, 2000, established, at INPS, the "Solidarity Fund for the support of earnings, employment and professional reconversion and requalification of credit personnel". Financial and asset management of the Fund is administered autonomously. The Fund provides, in exceptional circumstances, for the issue of checks to support earnings at the request of the employer and up until the right accrues for the years-of-service or old age pension by employees who accrue the requisites within a maximum period of 60 months from the date of termination of the working relationship. The above liabilities (€ 159 thousand in total) represent the extraordinary contribution that IFIL must pay to cover the exceptional checks that are due to former employees, including related social security contributions.

## Other payables

€ in thousands	12/31/2003	12/31/2002	Change
Extraordinary compensation for the former Managing Director	1,200 (a)	2,350	(1,150)
Extraordinary compensation for the Chairman and Managing Director	250 (a)	0	250
Monte Titoli fees and fixed charges	187	69	118
IFIL Board of Statutory Auditors fees	178	170	8
Stockholders for dividends not yet collected	76	79	(3)
Sundry	328	430	(102)
<b>Total other payables</b>	<b>2,219</b>	<b>3,098</b>	<b>(879)</b>

(a) To be paid in 2004.

## Accrued expenses and deferred income

Accrued expenses and deferred income amount to € 2,497 thousand and include interest expenses on financial payables such as borrowings from banks (€ 1,884 thousand), on IFIL bonds 2002/2005 (€ 260 thousand), on IFIL bonds 2003/2006 (€ 108 thousand) and fees for credit lines not drawn down (€ 245 thousand).

## GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

### Contracts to hedge interest rate risk

These total € 295 million, of which € 150 million relates to interest rate swaps on loans maturing in October 2005. The instruments hedge interest rate exposure by guaranteeing the Company a fixed interest rate for the period. Interest rate swaps and zero cost collars have been put into place for € 145 million on part of the IFIL 2002/2005 bonds to fix the interest rate.

The transactions in derivative financial instruments are exclusively used to hedge the risk of interest rate fluctuations and thus are not valued separately.

### Purchase of investments

These commitments refer to:

- the commitment with Mediobanca for the purchase of 9.53% of the capital stock of Eurofind, carried out in January 2004 with an investment of € 116.1 million;
- the commitment with TUI for the purchase of 10% of capital stock of NHT New Holding for Tourism, carried out in January 2004 with an investment of € 46.3 million.

Both transactions were entered into by the subsidiary Ifil Investissements.

### Securities held in deposit by third parties for stock lending

A stock lending contract on SANPAOLO IMI shares was signed in 2003. At December 31, 2003, there are 10,400,000 SANPAOLO IMI shares loaned for a total of € 113,568 thousand. The transaction made it possible to improve the return on the investment.

### Securities held in deposit by third parties

They represent the par value of equity shares (in total € 54 million) held in deposit by third parties.

### Shares to be delivered

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

## ANALYSIS OF THE INDIVIDUAL ITEMS OF THE STATEMENT OF OPERATIONS

### Value of production – Revenues from sales and services

These amount to € 1,148 thousand (€ 323 thousand at December 31, 2002) of which € 1,128 thousand refers to fees returned by the banks which guaranteed the successful outcome of the Fiat capital increase in July 2003.

### Value of production – Other income and revenues

€ in thousands	2003	2002	Change
Fees for posts held by IFIL personnel in other companies	113	134	(21)
Services rendered to Group companies and cost recoveries			
- La Rinascente S.p.A.	19	0	19
- Ifil Investissements S.A.	12	12	0
- Ifil Investment Holding N.V.	3	3	0
- IFI S.p.A. (parent company)	0	88	(88)
- Arjo Wiggins	0	10	(10)
Intermediation fees	0	46	(46)
Sundry revenues and income	115	65	50
<b>Total other income and revenues</b>	<b>262</b>	<b>358</b>	<b>(96)</b>

### Costs of production – Raw materials, supplies and merchandise

These costs total € 93 thousand (€ 85 thousand in 2002) and regard the purchases of stationery and supplies, printed forms and gifts.

### Costs of production – Services

Services total € 6,332 thousand and decreased by € 2,510 thousand compared to 2002 (€ 8,842 thousand).

Details of the main service expenses are as follows:

€ in thousands	2003	2002	Change
Consulting and services rendered by			
- Third parties	1,887 (a)	990	897
- Soiem S.p.A. (subsidiary company)	954	891	63
- IFI S.p.A. (parent company)	163	222	(59)
	<b>3,004</b>	<b>2,103</b>	<b>901</b>
Fees to corporate boards			
- Board of Directors	1,608	1,916	(308)
- Special compensation	500	3,500	(3,000)
- Board of Statutory Auditors	145	146	(1)
- Audit Committee and Compensation Committee	31	31	0
- Executive Committee	26	26	0
- Common representative of savings stockholders	2	2	0
	<b>2,312</b>	<b>5,621</b>	<b>(3,309)</b>
Travel expenses	337	294	43
Bank charges	199	316	(117)
Office management and security	160	251	(91)
Other insurance	90	57	33
Employee expenses	78	88	(10)
Audit fees	51	30	21
Maintenance, transport and car insurance	27	34	(7)
Other expenses	74	48	26
<b>Total service expenses</b>	<b>6,332</b>	<b>8,842</b>	<b>(2,510)</b>

(a) Including € 1,227 thousand for legal fees regarding pending litigation.

### Costs of production – Leases and rentals

These amount to € 977 thousand (€ 892 thousand in 2002) and include the rent on the Turin headquarters (€ 786 thousand to the subsidiary company Soiem S.p.A.), leases for office machines (€ 18 thousand) and cars for service use (€ 138 thousand) and other rentals (€ 35 thousand).

### Costs of production – Personnel

These total € 4,885 thousand (€ 4,516 thousand in 2002) and show a net increase of € 369 thousand (equal to 8.2%) due to a different staff composition and the payment of compensation for extraordinary transactions.

Other personnel costs include the contribution (€ 57 thousand) to the Corporate Employee Benefits Fund – Pension Fund, administered separately from the balance sheet, in which IFIL S.p.A. and other companies in the Group participate. The purpose of this Fund, which is non-profit, is to pay benefits that are a supplement to the obligatory public system, either directly or by taking out insurance policies, in conformity with the provisions of the collective labor contracts, agreements or company regulations. The technical equilibrium between benefits and contributions is ensured by the company partners in the Fund.

At year-end 2003, employees numbered 38 (38 at the end of 2002).

The average number of employees in 2003 was 38, summarized by category as follows:

	2003	2002
Managers/management staff	15	17
Clerks	19	17
Messengers	4	4
<b>Average number of employees</b>	<b>38</b>	<b>38</b>

### Costs of production – Other operating costs

Other operating costs total € 2,509 thousand, of which € 1,347 thousand relates to extraordinary transactions.

Sundry other operating expenses amount to € 1,162 thousand (€ 1,196 thousand in 2002) and show a decrease of € 34 thousand (2.8%) compared to 2002.

Details are as follows:

€ in thousands	2003	2002	Change
Nondeductible VAT on capital stock increase costs	1,011	0	1,011
Nondeductible VAT on legal fees regarding pending litigation	245	0	245
Costs connected with the residual tender offer for La Rinascente shares	91	972	(881)
<b>Total nonrecurring costs</b>	<b>1,347</b>	<b>972</b>	<b>375</b>
Indirect taxes and duties	697	687	10
Publication of annual, first-half and quarterly financial statements	121	119	2
Notary and corporate charges	110	123	(13)
Ads	97	29	68
Association dues	71	60	11
Donations	35	152	(117)
Books, newspapers and magazines	27	23	4
Sundry	4	3	1
<b>Total sundry other costs</b>	<b>1,162</b>	<b>1,196</b>	<b>(34)</b>
<b>Total other operating costs</b>	<b>2,509</b>	<b>2,168</b>	<b>341</b>

## Dividends and tax credits

Details are as follows:

€ in thousands	2003			2002		
	Dividends	Tax credits	Total	Dividends	Tax credits	Total
<b>Subsidiaries</b>						
Ifil Investissements S.A.	50,090	0	50,090	19,061	0	19,061
Ifil Investment Holding N.V.	5,000	0	5,000	0	0	0
	<b>55,090</b>	<b>0</b>	<b>55,090</b>	19,061	0	19,061
<b>Associated companies</b>						
Fiat S.p.A. (ordinary shares) (a)	0	0	0	16,652	6,255	22,907
Fiat S.p.A. (preferred shares) (a)	0	0	0	3,565	1,339	4,904
Sifalberghi S.r.l.	625	352	977	625	352	977
	<b>625</b>	<b>352</b>	<b>977</b>	20,842	7,946	28,788
<b>Other companies</b>						
SANPAOLO IMI S.p.A.	21,111	11,875	32,986	14,622	8,224	22,846
<b>Total</b>	<b>76,826</b>	<b>12,227</b>	<b>89,053</b>	54,525	16,170	70,695

(a) Classified under subsidiaries at December 31, 2003.

## Gain on sale of investment in associated company

The gain totals € 22,951 thousand and arose from the sale of the remaining 25% stake in Sifalberghi.

## Other financial income

€ in thousands	2003	2002	Change
Interest income on receivables from:			
- tax authorities	1,003	1,295	(292)
- banks	350	1	349
- other	1	1	0
<b>Total</b>	<b>1,354</b>	1,297	57

## Interest and other financial expenses from subsidiaries

These total € 248 thousand, of which € 192 thousand refers to the subsidiary Juventus Football Club S.p.A. and € 56 thousand to the subsidiary Soiem S.p.A. Such interest expenses are on loans granted by these same subsidiaries at current market rates.

## Interest and other financial expenses from parent company

These total € 74 thousand and relate to the loan granted by the parent company Giovanni Agnelli e C. S.p.A. at the current market rate. This loan was extinguished during 2003.

### Interest and other financial expenses from others

These refer to:

€ in thousands	2003	2002	Change
Interest expenses and financial charges on borrowings from banks	13,592	25,193	(11,601)
Interest expenses on IFIL bonds 2002/2005	8,451	229	8,222
Interest rate swaps on financing and on IFIL bonds 2002/2005	6,124	6,071	53
Bank charges	1,074	232	842
Portion of issue expenses on IFIL bonds	282	6	276
Interest expenses on IFIL bonds 2003/2006	110	0	110
Expenses accrued on the early closing of interest rate swaps	0	2,817	(2,817)
<b>Total</b>	<b>29,633</b>	<b>34,548</b>	<b>(4,915)</b>

### Extraordinary income and expenses

Extraordinary income amounts to € 30 thousand and relates to prior period income.

Extraordinary expenses of € 358 thousand include costs to support the Solidarity Fund (MD 158/2000) and employee reduction plans for € 265 thousand and other extraordinary expenses (€ 93 thousand).

### Income taxes

The taxable base according to tax laws did not generate any current income tax expenses for the year 2003 and resulted in the release of € 5,238 thousand of excess deferred taxes provided in previous years. Since there is no reasonable certainty of future recovery, no deferred tax assets have been posted on the fiscal 2001, 2002 and 2003 tax losses (approximate total of € 178 million) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (approximate total of € 266 million).

Other information – Emoluments to Directors, Statutory Auditors and General Managers  
(Art. 78 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

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

Name	Post held	Term of office	Expiration of term of office (b)	Compensation for post held	Non-monetary benefits	Bonuses and other incentives	Other compensation
<b>Directors in office</b>							
Gabetti Gianluigi	Chairman and Managing Director (a)	3/3-12/31	2005	1,266		500 (f)	11 (g)
Winteler Daniel John	Director	3/3-12/31	2005	12			153 (g)
Arnaudo Luigi	Director	1/1-12/31	2005	265 (c)			156 (g)
Bischoff Winfried	Director	1/1-12/31	2005	8			
Brandolini d'Adda Tiberto	Director	1/1-12/31	2005	17			38 (g)
Ferrero Edoardo	Director	1/1-12/31	2005	8			
Garosci Luigi	Director	1/1-12/31	2005	22 (d)			
Grande Stevens Franco	Director	1/1-12/31	2005	16			396 (g)
Greco Mario	Director	1/1-12/31	2005	8 (e)			
Lombardi Giancarlo	Director	1/1-12/31	2005	12			
Marocco Antonio Maria	Director	4/23-12/31	2005	5			
Recchi Giuseppe	Director	5/14-12/31	-	5			
Saracco Claudio	Director	4/23-12/31	2005	5			1 (g)
Teodorani-Fabbri Pio	Director	1/1-12/31	2005	8			
<b>Directors no longer in office</b>							
Agnelli Umberto	Chairman and Managing Director	1/1-3/3		3			1,652 (g)
Fossati Marco	Director	1/1-3/14		3			
Isoardi Guglielmo	Director	1/1-3/14		3			
<b>Total Board of Directors</b>				1,666		500	2,407
<b>Board of Statutory Auditors</b>							
Locatelli Piero	Chairman	1/1-12/31	2005	62			11 (g)
Ferrero Cesare	Statutory Auditor	1/1-5/27	2005	42			83 (g)
Girolamo Natale Ignazio	Statutory Auditor	1/1-12/31	2005	42			
<b>Total Board of Statutory Auditors</b>				146			94
<b>General Manager</b>							
Winteler Daniel John	General Manager	1/1-12/31				12	722 (h)

(a) Chairman and Managing Director since March 3, 2003.

(b) The term of office expires in concurrence with the Stockholders' Meeting that will approve the financial statements for the year ended December 31, 2004. Giuseppe Recchi was co-opted by the Board of Directors on May 14, 2003; as set forth by law, he will remain in office until the next Stockholders' Meeting.

(c) Including € 250 thousand for compensation relating to a special assignment.

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

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

(f) Extraordinary compensation.

(g) Compensation for the posts held in subsidiaries.

(h) Employment income.



### Other information – Stock options

The Company uses stock option plans to strengthen ties with its managers, as well as the managers of certain companies in the Group.

At December 31, 2003, IFIL has three stock option plans.

The first, destined to managers and directors of IFIL and IFI, was voted by the IFIL Board of Directors on April 1998. The plan involves a maximum number of 500,000 IFIL ordinary shares of par value € 1, which can be granted for subscription at a price of € 8.93 each.

The plan allows the granting of a maximum number of options for a variable amount of between one and two times the annual gross salary of each beneficiary as of the date of April 1998.

The options, accruing in equal amounts each year between 1998 and 2003, can be exercised by the beneficiaries in the first four months of 2003 and 2004.

In total, the options granted, net of those expired in the meantime, relate to 220,700 shares, equal to 0.02% of the actual outstanding capital stock.

In May 2000, the IFIL Board of Directors voted another stock option plan destined for the managers and directors of IFIL and IFI, for a maximum number of 2,700,000 IFIL ordinary shares, of par value € 1 each. The options can be granted in annual amounts each year between 2000 and 2004 and can be exercised by the beneficiaries beginning from 2002 up to 2006.

There were 2,691,500 options equal to 0.25% of actual capital stock granted under this plan in the period 2000 to 2003 (net of those expired in the meantime).

In September 2003, the IFIL Board of Directors voted a third stock option plan solely for the directors, for a maximum number of 700,000 IFIL ordinary shares, of par value € 1 each. There were 532,000 options granted under this plan, equal to 0.05% of actual capital stock granted under this plan, at € 2.28 each.

In the event of termination of employment with Group companies (excluding retirement) the options not yet accrued or exercisable are forfeited.

During 2003, no options were exercised.

With regard to these plans, there were no transactions entered into to favor either the purchase or subscription of shares pursuant to ex art. 2358 of the Italian Civil Code.

Data relating to options granted on IFIL shares existing at December 31, 2003 are detailed below:

	Number of shares	Price during the year		Market price (a)
		actual	average	
<b>April 1998 Plan (expiring April 2004)</b>				
Options granted (net of options expired)	<b>220,700</b>	<b>8.93</b>	<b>8.93</b>	<b>2.84</b>
<b>May 2000 Plan (expiring May 2006)</b>				
Options granted (net of options expired)				
. year 2000	522,000	7.88		
. year 2001	525,450	6.88		
. year 2002	844,050	5.09		
. year 2003	800,000	1.85		
	<b>2,691,500</b>		<b>3.42</b>	<b>2.84</b>
<b>September 2003 Plan (expiring December 2006)</b>				
Options granted	<b>532,000</b>	<b>2.28</b>	<b>2.28</b>	<b>2.84</b>
<b>Options exercisable at December 31, 2003</b>	<b>3,444,200</b>		<b>3.60</b>	<b>2.84</b>

(a) Corresponding to the average market prices in the period March 1-17, 2004.

Thus far, the Board of Fiat S.p.A. has approved stock option plans offered to about 900 managers of the Group's Italian and foreign companies who are qualified as "Direttore" or have been included in the Management Development Program for high-potential managers. Plan regulations share these common features:

- options are granted to individual managers on the basis of objective parameters that take into account the level of responsibility assigned to each person and his or her performance.
- if employment is terminated or an employee's relationship with the Group is otherwise severed, options that are not exercisable become null and void. However, vested options may be exercised within 30 days from the date of termination, with certain exceptions.
- the option exercise price, which is determined based on the average stock market price for the month preceding the option grant, can vary as a result of transactions affecting the Company's capital stock. It must be paid in cash upon the purchase of the underlying shares.
- the options are normally exercisable starting one year after they are granted and for the following eight years, but during the first four years, exercise is limited to annual tranches, which may be accumulated, of no more than 25% of the total granted.

A total of 1,045,943 options were granted in 2003, and expire in 2010. For the first three years their exercise is subject to limits, which include the achievement of predetermined objectives. In consideration of the options previously granted under the aforesaid plans and that have since expired upon termination of employment, a total of 12,697,743 shares represent treasury stock to be assigned to the holders of options pursuant to the conditions envisaged in the specific Regulations.

On December 15, 2000, the Extraordinary Stockholders' Meeting of Alpitour S.p.A. voted to vest the Board of Directors with the power to increase capital stock by a maximum amount of € 767,500 to service a stock option plan on behalf of the directors, managers and cadres of Alpitour and the companies of the Group.

The regulations of the stock option plan, approved by resolution of the Board of Directors on December 15, 2000, state that the aforementioned capital increase of € 767,500 will occur by issue of a maximum 1,535,000 new ordinary shares of par value € 0.50 each. The options under the plan, which carries a period of 68 months, will accrue in annual lots expiring October 31, of each year and will be offered at a price equal to € 6.73 per share. The options granted can be fully exercised within six months of the approval of the financial statements ended October 31, 2005.

The shares purchased in execution of the above plan can be sold to Alpitour at a price, established by the Board of Directors, calculated on the basis of the economic performance of the company.

The first tranche of options granted during 2002/2003, referring to the financial statements for the year ended October 31, 2002, was not exercised by the beneficiaries of the stock option plans.

### Stock options granted to Directors and General Managers

(Art. 78 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

Name	Company	Options held at the beginning of the year			Options granted during the year			Options held at the end of the year		
		Number of options	Average exercise price	Exercise period (months/year)	Number of options	Average exercise price	Exercise period (months/year)	Number of options	Average exercise price	Exercise period (months/year)
<b>Gabetti Gianluigi</b> Chairman and Managing Director	IFIL ord.				532,000	2.28	1/05 - 12/06	532,000	2.28	1/05 - 12/06
<b>Arnaudo Luigi</b> Director	IFIL ord. Alpitour	385,650 614,000	6.75 6.73	3/04 - 12/06 10/03 - 10/05				385,650 614,000	6.75 6.73	3/04 - 12/06 8/2006
<b>Winteler John Daniel</b> General Director	IFIL ord.	92,550	6.24	3/04 - 12/06	440,000	1.85	1/05 - 12/06	532,550	2.61	3/04 - 12/06

During the year, no options were exercised and no options expired.

Turin, March 29, 2004

For the Board of Directors  
The Chairman and Managing Director  
Gianluigi Gabetti

## ANNEXES TO THE NOTES TO THE STATUTORY FINANCIAL STATEMENTS

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Turin, March 29, 2004

For the Board of Directors  
The Chairman and Managing Director  
Gianluigi Gabetti

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

	Balance at December 31, 2002			
	Number of shares/quotas	% of class of capital stock	Carrying value	
			Per share €	Total €/000
<b>SUBSIDIARIES</b>				
FIAT S.p.A. - (ord. shares) - Turin (a)	53,717,486	12.40	8.87	476,420
FIAT S.p.A. - (pref. shares) - Turin (a)	11,500,000	11.13	5.17	59,398
WARRANTS 2007 ON FIAT ORD. SHARES (a)	7,698,177	-		0
IFIL INVESTISSEMENTS S.A. - Luxembourg	886,548	79.82	1,816.60	1,610,499
IFIL INVESTMENT HOLDING N.V. - Netherlands	120,000	100.00	1,356.46	162,775
JUVENTUS FC S.p.A. - Turin	0			0
SOIEM S.p.A. - Turin	18,213,500	49.90	0.52	9,540
NEW BUSINESS QUINDICI S.r.l. - Turin	0			0
<b>Total subsidiaries</b>				<b>2,318,632</b>
<b>ASSOCIATED COMPANIES</b>				
SIFALBERGHI S.r.l. - Milan	1	25.00	-	9,049
<b>Total associated companies</b>				<b>9,049</b>
<b>OTHER COMPANIES</b>				
SANPAOLO IMI S.p.A. - (ord. shares) - Turin	25,652,000	1.77	5.90	151,396
<b>Total other companies</b>				<b>151,396</b>
<b>OTHER COMPANIES - CONSORTIUMS</b>				<b>3</b>
<b>TOTAL INVESTMENTS</b>				<b>2,479,080</b>

(a) Associated companies up to December 31, 2002.

Changes during 2003				Balance at December 31, 2003			
Increase		Decrease		Number of shares/quotas	% of class of capital stock	Carrying value	
No. of shares/quotas	Carrying value €/000	No. of shares/quotas	Carrying value €/000			Per share €	Total €/000
186,865,961	1,124,255			240,583,447	30.06	6.65	1,600,675
19,582,500	101,144		13,652	31,082,500	30.09	4.73	146,890
11,216,334	3,578			18,914,511	-	0.19	3,578
			254,439	886,548	79.82	1,529.60	1,356,060
				120,000	100.00	1,356.46	162,775
74,992,103	11,725			74,992,103	62.01	0.16	11,725
18,286,500	12,206			36,500,000	100.00	0.60	21,746
1	10			1	100.00	10,000.00	10
<b>1,252,918</b>		<b>268,091</b>		<b>3,303,459</b>			
		1		9,049	0	-	0
<b>0</b>		<b>9,049</b>		<b>0</b>			
44,719,000	311,798			70,371,000	4.86	6.58	463,194
<b>311,798</b>				<b>463,194</b>			
				<b>3</b>			
<b>1,564,716</b>		<b>277,140</b>		<b>3,766,656</b>			

## LIST OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES AT DECEMBER 31, 2003

	Capital stock			
	Number of shares/quotas	Currency	Par value	Amount
<b>ASSOCIATED COMPANIES - MECHANICAL SECTOR</b>				
FIAT S.p.A. - Turin				
- ordinary shares	800,417,598	Euro	5	4,002,087,990
- preferred shares	103,292,310	Euro	5	516,461,550
- savings shares	79,912,800	Euro	5	399,564,000
- warrants 2007 on Fiat ordinary shares				
	983,622,708			4,918,113,540
<b>ASSOCIATED COMPANIES - FINANCIAL SECTOR</b>				
IFIL INVESTISSEMENTS S.A. - Luxembourg	1,110,742	Euro	150	166,611,300
IFIL INVESTMENT HOLDING N.V. - Netherlands	120,000	Euro	450	54,000,000
NEW BUSINESS QUINDICI S.r.l. - Turin	1	Euro	-	15,000
<b>ASSOCIATED COMPANIES - OTHER COMPANIES</b>				
JUVENTUS FC S.p.A. - Turin	120,932,000	Euro	0.1	12,093,200
SOIEM S.p.A. - Turin	36,500,000	Euro	0.5	18,250,000

(a) Data taken from the financial statements for the year ended December 31, 2003. Data relating to Juventus FC S.p.A. refers to the first-half financial statements at December 31, 2003. Data relating to the Fiat Group refers to the consolidated financial statements for the year ended December 31, 2003.

Number of shares/quotas	IFIL's investment				Stockholders' equity	Net profit (loss) (a)
	% ownership of		Carrying value		€/000	€/000
	Capital stock	Class of stock	€ per share	€/000		
240,583,447	24.46	30.06	6.65	1,600,675	6,793,000	(1,900,000)
31,082,500	3.16	30.09	4.73	146,890		
18,914,511			0.19	3,578		
886,548	79.82	-	1,529.60	1,356,060	1,947,300	(154,200)
120,000	100.00	-	1,356.46	162,775	165,606	7,830
1	100.00		-	10	9	(25)
74,992,103	62.01	-	0.16	11,725	77,034	(22,478)
36,500,000	100.00	-	0.60	21,746	21,570	(313)



## COMPARISON OF CARRYING VALUES AND MARKET PRICES OF LISTED FINANCIAL FIXED ASSETS

	Balances at December 31, 2003					
	Number of shares	Carrying value		Market prices at December 30, 2003		
		Per share €	Total (€/000)	Per share €	Total (€/000)	Difference (€/000)
FIAT S.p.A., ordinary shares	240,583,447	6.65	1,600,675	6.142	1,477,664	(123,011)
FIAT S.p.A., preferred shares	31,082,500	4.73	146,890	3.704	115,130	(31,760)
Warrants 2007 on FIAT ordinary shares	18,914,511	0.19	3,578	0.203	3,840	262
JUVENTUS FC S.p.A.	74,992,103	0.16	11,725	1.677	125,762	114,037
SANPAOLO IMI S.p.A., ordinary shares	70,371,000	6.58	463,194	10.413	732,773	269,579
			<b>2,226,062</b>		<b>2,455,169</b>	<b>229,107</b>
IFIL S.p.A., ordinary shares	11,117,148	3.75	41,687	2.617	29,094	(12,593)
			<b>41,687</b>		<b>29,094</b>	<b>(12,593)</b>

Average market prices II half 2003			Average market prices December 2003		
Per share €	Total (€/000)	Difference (€/000)	Per share €	Total (€/000)	Difference (€/000)
6.335	1,524,096	(76,579)	6.397	1,539,012	(61,663)
3.820	118,735	(28,155)	3.831	119,077	(27,813)
0.273	5,164	1,586	0.247	4,672	1,094
1.937	145,260	133,535	1.822	136,636	124,911
9.337	657,054	193,860	10.807	760,499	297,305
	<b>2,450,309</b>	<b>224,247</b>		<b>2,559,896</b>	<b>333,834</b>
2.325	25,847	(15,840)	2.603	28,938	(12,749)
	<b>25,847</b>	<b>(15,840)</b>		<b>28,938</b>	<b>(12,749)</b>

## STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS 2001 AND 2002

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

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

## STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS 2002 AND 2003

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

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

## STATEMENT OF CASH FLOWS FOR THE YEARS 2003 AND 2002

€ in thousands	2003	2002
<b>A) Cash at beginning of year</b>	<b>84</b>	<b>19</b>
<b>B) Cash flows provided by (used in) operating activities</b>		
Net income (loss)	72,671	(516,392)
Depreciation and amortization	2,256	12
(Gains) Losses on disposals of:		
intangible fixed assets and property, plant and equipment	0	(5)
financial fixed assets	(22,951)	(1,855)
(Revaluations) Writedowns of financial fixed assets	0	537,670
(Purchase) Sale of receivables	250	24,000
Net change in employee severance indemnities	(304)	159
Change in working capital:		
trade receivables	(57)	15
trade payables	490	(198)
reserve for income taxes and other reserves	(8,127)	(5,948)
other assets and liabilities	(17,027)	(4,089)
	<b>27,201</b>	<b>33,369</b>
<b>C) Cash flows provided by (used in) investment activities</b>		
Investments in fixed assets:		
property, plant and equipment	(2)	(41)
intangible fixed assets	(11,167)	0
financial fixed assets	(756,517)	(136,718)
Purchase of treasury stock recorded in current assets	(1,692)	0
Proceeds from the sale of fixed assets		
property, plant and equipment	0	12
financial fixed assets	32,000	0
Reimbursement of additional paid-in-capital by subsidiaries	254,439	0
	<b>(482,939)</b>	<b>(136,747)</b>
<b>D) Cash flows provided by (used in) financing activities</b>		
Repayment of borrowings	(309,874)	0
Borrowings from subsidiaries	8,556	0
Bonds IFIL 2002/2005	55,000	145,000
Bonds IFIL 2003/2006	100,000	0
Net change in borrowings from banks	98,336	39,414
	<b>(47,982)</b>	<b>184,414</b>
<b>E) Cash flows provided by (used in) net equity movements</b>		
Capital stock increases	503,991	0
Dividends paid	0	(81,234)
Other changes	(195)	263
	<b>503,796</b>	<b>(80,971)</b>
<b>F) Net change in cash</b>	<b>76</b>	<b>65</b>
<b>G) Cash at end of year</b>	<b>160</b>	<b>84</b>

**RECLASSIFIED STATEMENT OF OPERATIONS ACCORDING TO THE FORMAT RECOMMENDED BY  
CONSOB (RECOMMENDATION NO. 94001437 DATED FEBRUARY 23, 1994)**

Amounts in €	YEAR 2003	YEAR 2002	CHANGE
<b>FINANCIAL INCOME AND EXPENSES</b>			
Investment income			
Dividends and tax credits relating to:			
subsidiaries	55,089,962	19,060,782	36,029,180
associated companies	976,563	28,787,747	(27,811,184)
other companies	32,986,406	22,846,313	10,140,093
Gains on sale of investment in subsidiary	0	1,855,000	(1,855,000)
Gain on sale of investment in other companies	22,951,022	0	22,951,022
	<b>112,003,953</b>	<b>72,549,842</b>	<b>39,454,111</b>
Other financial income	1,354,005	1,297,271	56,734
Interest and other financial expenses from			
subsidiaries	(248,190)	0	(248,190)
parent company	(74,067)	0	(74,067)
other companies	(29,633,174)	(34,547,526)	4,914,352
	<b>(29,955,431)</b>	<b>(34,547,526)</b>	<b>4,592,095</b>
Writedowns of financial fixed assets	0	(537,669,735)	537,669,735
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>83,402,527</b>	<b>(498,370,148)</b>	<b>581,772,675</b>
<b>VALUE OF PRODUCTION</b>			
Service revenues	1,148,367	322,576	825,791
Other revenues and income	262,404	358,338	(95,934)
<b>TOTAL VALUE OF PRODUCTION</b>	<b>1,410,771</b>	<b>680,914</b>	<b>729,857</b>
<b>OTHER OPERATING COSTS</b>			
Raw materials, supplies and merchandise	(92,682)	(84,650)	(8,032)
Services	(6,331,771)	(8,842,045)	2,510,274
Leases and rentals	(977,288)	(892,435)	(84,853)
Personnel			
Salaries and wages	(3,359,352)	(2,892,444)	(466,908)
Social security contributions	(994,005)	(862,017)	(131,988)
Employee severance indemnities	(373,363)	(409,786)	36,423
Other costs	(158,148)	(352,030)	193,882
	<b>(4,884,868)</b>	<b>(4,516,277)</b>	<b>(368,591)</b>
Amortization, depreciation and writedowns			
Amortization of intangible assets	(2,233,450)	(207)	(2,233,243)
Depreciation of property, plant and equipment	(22,977)	(11,797)	(11,180)
	<b>(2,256,427)</b>	<b>(12,004)</b>	<b>(2,244,423)</b>
Other operating costs	(2,509,478)	(2,168,007)	(341,471)
<b>TOTAL OTHER OPERATING COSTS</b>	<b>(17,052,514)</b>	<b>(16,515,418)</b>	<b>(537,096)</b>
<b>INCOME (LOSS) BEFORE EXTRAORDINARY INCOME AND EXPENSES AND INCOME TAXES</b>	<b>67,760,784</b>	<b>(514,204,652)</b>	<b>581,965,436</b>
<b>EXTRAORDINARY INCOME AND EXPENSES</b>			
Income	30,297	42,640	(12,343)
Expenses	(357,672)	(16,200)	(341,472)
<b>TOTAL EXTRAORDINARY INCOME AND EXPENSES</b>	<b>(327,375)</b>	<b>26,440</b>	<b>(353,815)</b>
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>67,433,409</b>	<b>(514,178,212)</b>	<b>581,611,621</b>
<b>INCOME TAXES</b>	<b>5,237,685</b>	<b>(2,214,158)</b>	<b>7,451,843</b>
<b>NET INCOME (LOSS)</b>	<b>72,671,094</b>	<b>(516,392,370)</b>	<b>589,063,464</b>



## REPORT OF THE BOARD OF STATUTORY AUDITORS ACCORDING TO ART. 153 OF LEGISLATIVE DECREE NO. 58/1998 AND ART. 2429, PARAGRAPH 3 OF THE ITALIAN CIVIL CODE

To our Stockholders,

Under Art. 153 of Legislative Decree No. 58 of February 24, 1998, the Board of Statutory Auditors has the obligation to report to the Stockholders' Meeting, called for the approval of the financial statements, on matters concerning the audit work carried out and any omissions and censurable matters that may have come to its attention. The Board of Statutory Auditors may also formulate proposals to the Stockholders' Meeting in relation to the financial statements, to its approval and to matters of its competence. In keeping with the above law, and in drawing up this report, the Board has also complied with Art. 2429, paragraph 3 of the Italian Civil Code.

During 2003, the Board of Statutory Auditors performed its work in accordance with the laws in force, participating in the meetings of the Board of Directors (ten meetings), the Executive Committee (one meeting) and the Audit Committee (three meetings). During 2003, the Board of Statutory Auditors performed 15 tests and held 15 meetings and attended the Company's Stockholders' Meetings.

The Directors kept us adequately and periodically informed of the activities carried out about the significant economic, financial and equity transactions entered into by the Company and/or its subsidiaries.

In this regard we have ascertained that the transactions approved and carried out were in conformity with the law and the corporate by-laws, were not in disagreement with the resolutions approved by the Stockholders' Meeting, were not expressly imprudent and/or risky or of such a nature as to compromise the integrity of the company's assets, nor in potential conflict of interest and were based upon the principles of good administration.

The organizational structure of the Company, insofar as we are responsible, appears to be adequate for the specific type of business and size of the Company.

The Board of Statutory Auditors, also on the basis of meetings held with Company Management and with representatives of the Independent Auditors, has gathered information regarding compliance with the principles of diligent administrative management.

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

Furthermore, we consider that the administrative accounting system, insofar as ascertained and checked by us, is in a position to record and correctly represent operating events and that the directives imposed on the subsidiaries as per Art. 114, paragraph 2, of Legislative Decree 58/98 are adequate.

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

The Board of Directors has sent to us, in accordance with the law, the report relating to the first half of the year (six month 2003 report), making it public within the time-frame and according to the procedures established by CONSOB. Furthermore, the Board of Statutory Auditors has also taken note of the quarterly reports at March 31 and September 30, 2003.

The Company has availed itself of the exemption from the preparation and publication of the second and fourth quarter reports of 2003 having provided for the preparation and publication of the six-month report at June 30, 2003, the draft annual statutory financial statements and the consolidated financial statements for the year ended December 31, 2003 within the terms set by CONSOB.

The 2003 annual statutory financial statements prepared by the Directors, show a net income for the year of € 72,671,094.

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

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

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

- the major events during 2003;
- transactions with Group companies and related parties;
- significant subsequent events;

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

The Board of Statutory Auditors further states that, to the best of its knowledge:

- during 2003 no atypical and/or unusual transactions occurred;
- transactions of an ordinary nature with Group companies and related parties are adequately represented, with the effects on the balance sheet and statement of operations, in the notes to the financial statements and in the Report on Operations and are considered adequate and responsive to the interests of the Company;
- the Independent Auditors, Deloitte & Touche S.p.A., did not bring to its attention during the year relevant aspects and/or facts considered by them to be censurable and, in their report dated May 13, 2004 did not report any qualifications or other matters of interest;
- the Directors also provided adequate disclosure on the action brought by the stockholder K Capital against the resolution to increase IFIL capital stock passed by the Extraordinary Stockholders' Meeting on April 23, 2003;
- the Independent Auditors, Deloitte & Touche S.p.A., in addition to the appointment for the audit of the annual statutory financial statements and consolidated financial statements and the limited scope audit of the six-month reports – received assignments, during 2003, for compensation totaling € 643,000, as follows:
  - opinion on the adequacy of the issue price of the ordinary and savings shares of IFIL – Finanziaria di Partecipazioni S.p.A., with exclusion of the option rights, in accordance with Art. 2441, paragraph six, of the Italian Civil Code and Art. 158 of Legislative Decree No. 58 dated February 24, 1998, with a fee of € 600,000;
  - professional work performed in connection with the capital stock increase for 386,321,490 IFIL ordinary shares, as described in the Prospectus filed with Consob on July 1, 2003, with a fee of € 20,000;
  - verification relative to the confirmation of the amount of the Financial Ratio, called for by the Information Memorandum dated December 17, 2002 and January 31, 2003, regarding the issue, by IFIL, of € 145 million and € 55 million of "Floating Rate Notes due 2005", with a fee of € 6,000;
  - issue of the specific "comfort letter" on the Information Memorandum connected with the placement of Floating Rate Notes carried out by IFIL at the end of December 2003, with a fee of € 17,000;
- no assignments have been conferred to entities connected with Deloitte & Touche S.p.A.;
- during the course of the supervisory activities described above – and also based on the results of the meetings held with the Independent Auditors in accordance with Art. 150 of Legislative Decree 58/1998 – no irregularities and/or omissions and/or censurable matters, or, in any case, matters of such significance as to require their notification to the Controlling Bodies and/or their mention in this report, came to light.

Finally, the Board of Statutory Auditors acknowledge that the Independent Auditors, Deloitte & Touche S.p.A. – which operated in accordance with and for the effects of Art. 155, and subsequent, of Legislative Decree 58/98 – issued their report on the annual statutory financial statements on May 13, 2004, in accordance with Art. 156 of Legislative Decree 58/98, expressing an unqualified opinion.

That being said, the Board of Statutory Auditors invites you to approve the annual statutory financial statements for the year ended December 31, 2003, together with the proposal of the Board of Directors relating to the appropriation of the net income for the year.

Turin, May 14, 2004

The Board of Statutory Auditors

Piero Locatelli

Natale Ignazio Girolamo

Cesare Ferrero

## REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2003

To our Stockholders,

The consolidated financial statements of the IFIL Group for the year ended December 31, 2003, consisting of the balance sheet, the statement of operations and the notes to the financial statements, show a loss for the year of € 45 million and stockholders' equity of € 3,954 million. The consolidated financial statements were submitted to us together with the Report on Operations and were prepared in accordance with the format required by Legislative Decree 127 dated April 9, 1991.

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

Such financial statements, transmitted by the subsidiaries to the parent company, for purposes of drawing up the consolidated financial statements, prepared by their relevant corporate bodies, have been examined by the bodies and/or parties in charge of controlling the individual companies, according to the respective regulations, and on the part of the Independent Auditors within the scope of the procedures carried out in the audit of consolidated financial statements. The Board of Statutory Auditors has, therefore, not extended its examination to these financial statements.

The Board of Statutory Auditors took note of the report of the Independent Auditors, Deloitte & Touche S.p.A., issued on May 13, 2004, in accordance with art. 156 of Legislative Decree No. 58 dated February 24, 1998, expressing an unqualified opinion.

The determination of the scope of consolidation, the choice of the principles of consolidation of the investments and the procedures adopted for this purpose are in agreement with the provisions of Legislative Decree No. 127 dated April 9, 1991. The structure of the consolidated financial statements is thus to be considered technically correct and, as a whole, conforms to the specific law.

The Report on Operations adequately describes the results of operations and financial condition, the trend of operations during the course of 2003 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, May 14, 2004

The Board of Statutory Auditors

Piero Locatelli

Natale Ignazio Girolamo

Cesare Ferrero

## REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF THE D.L.GS. FEBRUARY 24, 1998, N. 58

### To the Shareholders of IFIL – Finanziaria di Partecipazioni S.p.A.:

1. We have audited the financial statements of IFIL – Finanziaria di Partecipazioni S.p.A. as of and for the year ended December 31, 2003. These financial statements are the responsibility of the Directors of IFIL – Finanziaria di Partecipazioni S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain subsidiaries and affiliates, which statements reflect total assets representing 10% of consolidated total assets and revenues representing 12% of consolidated revenues, is the responsibility of other auditors.

For the opinion on the prior year's financial statements, which are presented for comparative purposes as required by law, reference should be made to the auditors' report dated April 3, 2003 issued by Deloitte & Touche Italia S.p.A.

3. In our opinion, the financial statements of IFIL – Finanziaria di Partecipazioni S.p.A. as of and for the year ended December 31, 2003 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and results of operations of IFIL – Finanziaria di Partecipazioni S.p.A.

DELOITTE & TOUCHE S.p.A.  
s/Colin Johnston  
Partner

Turin, May 13, 2004

*This report and the financial statements to which it refers have been translated into English from the original version in Italian. The financial statements have been prepared in accordance with the Italian law related to financial statements. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Italy, may not conform with generally accepted accounting principles in other countries.*

## REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58/1998

### To the Shareholders of IFIL – Finanziaria di Partecipazioni S.p.A.

1. We have audited the consolidated financial statements of IFIL – Finanziaria di Partecipazioni S.p.A. and subsidiaries as of and for the year ended December 31, 2003. These consolidated financial statements are the responsibility of the Directors of IFIL – Finanziaria di Partecipazioni S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain subsidiaries and affiliates, which statements reflect total assets representing 10% of consolidated total assets and revenues representing 12% of consolidated revenues, is the responsibility of other auditors.

For the opinion on the prior year's financial statements, which are presented for comparative purposes as required by law, reference should be made to the auditors' report dated April 3, 2003 issued by Deloitte & Touche Italia S.p.A.

3. In our opinion, the consolidated financial statements of IFIL – Finanziaria di Partecipazioni S.p.A. and subsidiaries as of and for the year ended December 31, 2003 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and results of operations of the Company and its subsidiaries.

DELOITTE & TOUCHE S.p.A.  
s/Colin Johnston  
Partner

Turin, May 13, 2004

*This report and the consolidated financial statements to which it refers have been translated into English from the original version in Italian. The consolidated financial statements have been prepared in accordance with the Italian law related to such financial statements. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Italy, may not conform with generally accepted accounting principles in other countries.*

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma  
Torino Treviso Verona Vicenza

Member of  
Deloitte Touche Tohmatsu

Sede Legale: Palazzo Carducci - Via Olona, 2 - 20123 Milano  
Capitale Sociale: versato Euro 6.720.406,00 - sottoscritto Euro 10.327.590,00 - deliberato Euro 10.850.000,00  
Partita IVA/Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239

## ***IFIL GROUP'S COMPANIES***

In accordance with the provisions of Legislative Decree No. 127/91, articles 38 and 39, and Consob resolution No. 11971 of May 14, 1999 (art. 126 of the Regulations and successive amendments), the following list is provided of the companies and significant holdings included in the consolidated financial statements.

The companies in the list are divided by consolidation method and business segment. For each company, the following information is provided: the registered offices, the country location, the capital stock in the original currency. The consolidated percentage of ownership held by the Group is also indicated, as well as the percentage of ownership held by IFIL S.p.A. or by other subsidiaries.

A separate column shows the percentage of voting rights in the Ordinary Stockholders' Meeting. An Asterisk (\*) indicates ownership with voting suspended.

Name	Country	Capital Stock at 12/31/2003	Currency	% of Group consolidation Interest held by	% of interest held	% of voting rights
IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	ITALY	1,075,195,737	EUR			
<b>SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS</b>						
<b>Miscellaneous and Holding companies</b>						
FIAT S.P.A. (a)	ITALY	4,918,113,540	EUR	27.62	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A. FIAT S.P.A. (*)	27.619 0.505 0.621
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A. IFIL INVESTMENT HOLDING N.V.	79.816 20.184 20.184
IFIL INVESTMENT HOLDING N.V.	NETHERLANDS	54,000,000	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	100.000 100.000
IFIL CAPITAL B.V.	NETHERLANDS	11,000,000	EUR	100.00	IFIL INVESTMENT HOLDING N.V.	100.000 100.000
IFIL FINANCE B.V.	NETHERLANDS	10,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000 100.000
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
NEW BUSINESS QUINDICI S.r.l.	ITALY	15,000,000	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	100.000 100.000
WORMS & CIE S.A. DIRECTOIRE ET CONSEIL DE SURVEILLANCE (a)	FRANCE	161,210,830.68	EUR	53.07	IFIL INVESTISSEMENTS S.A. WORMS & CIE S.A. A DIRECTOIRE ET CONSEIL DE SURVEILLANCE (*)	53.074 0.066 0.066
<b>Tourism and Hotel activities</b>						
NHT NEW HOLDING FOR TOURISM B.V. (a)	NETHERLANDS	32,980,000	EUR	90.00	IFIL INVESTISSEMENTS S.A. IFIL FINANCE B.V.	59.679 30.321 30.321
<b>Services</b>						
SOIEM S.P.A.	ITALY	18,250,000	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	100.000 100.000
<b>SUBSIDIARIES VALUED BY THE EQUITY METHOD</b>						
<b>Football Club</b>						
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	12,093,200	EUR	62.01	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	62.010 62.010
<b>SUBSIDIARIES VALUED AT COST</b>						
<b>Lease of own real estate and sublease</b>						
CAMPI DI VINOVO S.p.A.	ITALY	1,300,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A. CAMPI DI VINOVO (*)	69.800 3.000 69.800
<b>ASSOCIATED COMPANIES VALUED BY THE EQUITY METHOD</b>						
<b>Miscellaneous and Holding companies</b>						
EUROFIND S.A.	LUXEMBOURG	985,348,268	EUR	40.47	IFIL INVESTISSEMENTS S.A.	40.468 50.000
EUFIN INVESTMENTS UNLIMITED	UNITED KINGDOM	243,100	EUR	40.47	EUROFIND S.A.	100.000 100.000
<b>ASSOCIATED COMPANIES VALUED AT COST</b>						
<b>Miscellaneous and Holding companies</b>						
EUROMEDIA LUXEMBOURG ONE S.A.	LUXEMBOURG	52,500,000	USD	-	IFIL INVESTISSEMENTS S.A. FIAT NETHERLAND HOLDING NV	14.286 14.286 14.286
<b>Services</b>						
WE-CUBE.COM S.P.A.	ITALY	666,668	EUR	-	IFIL INVESTISSEMENTS S.A. BUSINESS SOLUTIONS S.P.A.	14.790 14.790 14.790
<b>Stadium management</b>						
SEMANA S.r.l.	ITALY	100,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	30.000 30.000

(a) For purposes of a clearer presentation, the investments held through FIAT, Worms & Cie and NHT New Holding for Tourism B.V. are shown separately.

(\*) Voting suspended.

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
<b>Subsidiaries consolidated on a line-by-line basis</b>							
<b>Automobiles</b>							
Fiat Auto Holdings B.V.	Amsterdam	Netherlands	1,000,000	EUR	90.00	Fiat Partecipazioni S.p.A.	90.000
Banco Fidis de Investimento SA	Sao Paulo	Brazil	116,235,465	BRL	89.97	Fiat Auto S.p.A. Fiat Automoveis S.A. - FIASA	94.968 5.000
B.D.C. S.A.	Brussels	Belgium	1,289,294	EUR	90.00	Fiat Auto (Belgio) S.A. Fiat Auto (Suisse) S.A.	99.998 0.002
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	463,938,188	ARS	90.00	Fiat Auto S.p.A. Fiat Automoveis S.A. - FIASA	63.336 36.664
Fiat Auto (Belgio) S.A.	Brussels	Belgium	7,585,220	EUR	90.00	Fiat Finance Netherlands B.V. Fiat Auto (Suisse) S.A.	99.990 0.010
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	13,500,000	GBP	90.00	Fidis Renting Italia S.p.A.	100.000
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	89.86	Fiat Auto (Belgio) S.A.	99.839
Fiat Auto Espana S.A.	Alcalá De Henares	Spain	57,696,960	EUR	90.00	Fiat Finance Netherlands B.V. Fiat Auto (Suisse) S.A.	99.998 0.002
Fiat Auto Financial Services Limited	Slough Berkshire	United Kingdom	2,250,000	GBP	90.00	Fiat Auto (U.K.) Ltd	100.000
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	1	GBP	90.00	Fiat Auto (U.K.) Ltd	100.000
Fiat Auto (France) S.A.	Trappes	France	91,050,000	EUR	90.00	Fiat Finance Netherlands B.V.	99.999
Fiat Auto Hellas S.A.	Argyroupoli	Greece	33,533,499	EUR	90.00	Fiat Finance Netherlands B.V.	100.000
Fiat Auto (Ireland) Ltd.	Dublin	Ireland	5,078,952	EUR	90.00	Fiat Finance Netherlands B.V.	100.000
Fiat Auto Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	90.00	Fiat Auto S.p.A.	100.000
Fiat Auto Kreditbank GmbH	Vienna	Austria	5,000,000	EUR	90.00	Fiat Auto S.p.A. Fidis S.p.A.	50.000 50.000
Fiat Auto Lease N.V.	Utrecht	Netherlands	454,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000
Fiat Auto Maroc S.A.	Casablanca	Morocco	314,000,000	MAD	89.96	Fiat Auto S.p.A.	99.950
Fiat Auto Nederland B.V.	Ljnden	Netherlands	5,672,250	EUR	90.00	Fiat Finance Netherlands B.V.	100.000
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	77.98	Fiat Auto S.p.A.	86.644
Fiat Auto Portuguesa S.A.	Alges	Portugal	8,000,000	EUR	90.00	Fiat Finance Netherlands B.V.	100.000
Fiat Auto South Africa (Proprietary) Ltd	Sandton	South Africa	440	ZAR	90.00	Fiat Auto S.p.A.	100.000
Fiat Auto S.p.A.	Turin	Italy	2,500,000,000	EUR	90.00	Fiat Auto Holdings B.V.	100.000
Fiat Auto (Suisse) S.A.	Geneva	Switzerland	21,400,000	CHF	90.00	Fiat Auto S.p.A.	100.000
Fiat Auto (U.K.) Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	90.00	Fiat Finance Netherlands B.V.	100.000
Fiat Auto Var S.r.l. a S.U.	Turin	Italy	10,200,000	EUR	90.00	Fiat Auto S.p.A.	100.000
Fiat Automobil AG	Heilbronn	Germany	97,280,000	EUR	90.00	Fiat Finance Netherlands B.V. Fiat Auto (Suisse) S.A.	99.000 1.000
Fiat Automobil GmbH	Vienna	Austria	37,000	EUR	90.00	Fiat Finance Netherlands B.V.	100.000
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	90.00	Fiat Automobil AG	100.000
Fiat Automobil Danmark A/S	Glostrup	Denmark	55,000,000	DKK	90.00	Fiat Finance Netherlands B.V.	100.000
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1,432,341,332	BRL	90.00	Fiat Auto S.p.A.	100.000
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	90.00	Fiat Auto S.p.A.	100.000
Fiat Center (Suisse) S.A.	Geneva	Switzerland	13,000,000	CHF	90.00	Fiat Auto (Suisse) S.A.	100.000
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	90.00	Fiat Auto S.p.A.	100.000
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,403	EUR	90.00	Fiat Auto (Belgio) S.A.	99.999
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	264,595,928	ARS	90.00	Fidis S.p.A. Fiat Auto Argentina S.A.	99.999 0.001
Fiat Distribuidora Portugal S.A.	Lisbon	Portugal	450,300	EUR	90.00	Fiat Auto Portuguesa S.A.	100.000
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2,300,000	EUR	90.00	Fiat Finance Netherlands B.V. Fidis S.p.A.	99.995 0.005
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	90.00	Fiat Auto Holdings B.V. Fidis S.p.A.	50.252 49.748
Fiat Handlerservice GmbH	Heilbronn	Germany	5,100,000	EUR	90.00	Fiat Automobil AG	100.000
Fiat India Automobiles Private Limited	Mumbai	India	18,780,741,500	INR	90.00	Fiat Auto S.p.A.	100.000
Fiat India Private Ltd.	Mumbai	India	14,917,862,500	INR	88.07	Fiat India Automobiles Private Limited Fiat Auto S.p.A.	89.377 8.478
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	90.00	Fiat Auto S.p.A.	100.000
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	90.00	Fiat Auto (U.K.) Ltd	100.000
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000	SKK	90.00	Fiat Auto S.p.A.	100.000
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000	EUR	94.90	Fiat Automobil AG Rimaco S.A.	51.000 49.000
Fidis Credit Danmark A/S	Glostrup	Denmark	500,000	DKK	90.00	Fiat Finance Netherlands B.V.	100.000
Fidis Dealer Services B.V.	Utrecht	Netherlands	698,000	EUR	90.00	Fiat Auto Nederland B.V.	100.000
Fidis Faktoring Polska Sp. z o.o.	Warsaw	Poland	1,000,000	PLN	90.00	Fiat Finance Netherlands B.V.	100.000
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	90.00	Fiat Finance Netherlands B.V.	100.000
Fidis Hungary KFT	Budapest	Hungary	13,000	EUR	90.00	Fidis S.p.A.	100.000
Fidis Renting Italia S.p.A.	Turin	Italy	70,300,000	EUR	90.00	Fiat Auto S.p.A.	100.000
Fidis S.p.A.	Turin	Italy	311,232,342	EUR	90.00	Fiat Auto S.p.A. Nuove Iniziative Finanziarie 2 S.r.l.	99.900 0.100
Finplus Renting S.A.	Madrid	Spain	455,991	EUR	90.00	Fidis Renting Italia S.p.A.	100.000
Inmap 2000 Espana S.L.	Alcalá De Henares	Spain	12,020,000	EUR	90.00	Fiat Auto Espana S.A.	100.000
International Metropolitan Automotive Promotion (France) S.A.	Paris	France	56,000	EUR	90.00	Fiat Auto (France) S.A.	100.000



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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
Italian Automotive Center S.A.	Brussels	Belgium	16,902,175	EUR	90.00	B.D.C. S.A.	100.000
Sata-Società Automobilsistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	90.00	Fiat Auto S.p.A.	100.000
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000
Sofice-Société de Financement des Concessionnaires s.a.s.	Trappes	France	3,353,600	EUR	90.00	Fiat Auto (France) S.A.	100.000
Tarfin S.A.	Geneva	Switzerland	500,000	CHF	90.00	Fiat Finance Netherlands B.V.	100.000
Targa Assistance S.r.l.	Turin	Italy	260,000	EUR	90.00	Fidis S.p.A.	100.000
Targa Automotive S.p.A.	Turin	Italy	5,000,000	EUR	90.00	Fidis S.p.A.	100.000
Targa Infomobility S.p.A.	Turin	Italy	100,000	EUR	90.00	Fidis S.p.A.	100.000
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	90.00	Fidis S.p.A.	100.000
Targasys Espana S.L.	Alcalá De Henares	Spain	5,000	EUR	90.00	Fiat Auto Espana S.A.	100.000
Targasys Stock E.F.C. S.A.	Alcalá De Henares	Spain	5,108,799	EUR	90.00	Fiat Auto Espana S.A.	100.000
<b>Agricultural and Construction equipment</b>							
CNH Global N.V.	Amsterdam	Netherlands	317,055,857	EUR	85.13	Fiat Netherlands Holding N.V. CNH Global N.V.	85.063 0.083
Austoft Industries Limited	Bundaberg	Australia	16,353,225	AUD	85.13	CNH Australia Pty Limited	100.000
Banco CNH Capital S.A.	Curitiba	Brazil	137,582,600	BRL	85.13	CNH Global N.V. CNH Latino Americana Ltda	85.660 14.340
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	85.13	New Holland North America Inc.	100.000
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Bli Group Inc.	100.000
Case Brasil & CIA. LTDA.	Sorocaba	Brazil	301,480,657	BRL	85.13	Case Brazil Holdings Inc. Case Equipment International Corporation	87.510 12.490
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000
Case Canada Receivables Inc.	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000
Case Credit Australia Investments Pty. Ltd.	St. Marys	Australia	187,360,048	AUD	85.13	CNH Australia Pty Limited	100.000
Case Credit Corporation	Wilmington	U.S.A.	1,000	USD	85.13	CNH Capital Corporation	100.000
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	85.13	Case Credit Corporation	100.000
Case Credit Ltd.	Calgary	Canada	1	CAD	85.13	Case Credit Corporation CNH Canada Ltd.	99.500 0.500
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000
Case Europe S.a.r.l.	Roissy	France	7,622	EUR	85.13	Case LLC	100.000
Case Harvesting Systems GmbH	Neustadt	Germany	281,211	EUR	85.13	Case LLC	100.000
Case India Limited	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000
Case International Limited	Basildon	United Kingdom	61,504,001	GBP	85.13	New Holland Holding Limited	100.000
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000
Case LLC	Wilmington	U.S.A.	4	USD	85.13	Fiatallis North America Inc. Case New Holland Inc.	61.111 38.889
Case Machinery (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	2,250,000	USD	85.13	Case LLC	100.000
Case Mexico S.A.	Mexico	Mexico	810,000	MXN	85.13	Case LLC	100.000
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	85.13	CNH Global N.V.	100.000
Case New Holland Italia s.p.a.	Modena	Italy	15,600,000	EUR	85.13	CNH International S.A.	100.000
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	85.13	Case LLC	100.000
Case Wholesale Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	85.13	New Holland Holdings Argentina S.A. Case LLC	80.654 19.346
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	85.13	CNH Global N.V.	100.000
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	85.13	CNH International S.A.	100.000
CNH Canada Ltd.	Toronto	Canada	28,000,100	CAD	85.13	CNH Global N.V. Case LLC	66.524 33.476
CNH Capital Australia Pty. Ltd.	St. Marys	Australia	26,819,518	AUD	85.13	Case Credit Australia Investments Pty. Ltd.	100.000
CNH Capital Benelux S.A.	Zedelgem	Belgium	54,458	EUR	85.13	CNH Global N.V. CNH Capital U.K. Ltd	99.000 1.000
CNH Capital Corporation	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000
CNH Capital (Europe) plc	Dublin	Ireland	38,100	EUR	85.13	CNH Capital plc CNH Financial Services A/S CNH Financial Services S.r.l. CNH Global N.V. CNH International S.A. New Holland Financial Services Ltd CNH Trade N.V.	99.984 0.003 0.003 0.003 0.003 0.003 0.001
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	85.13	Case Credit Corporation	100.000
CNH Capital plc	Dublin	Ireland	6,386,790	EUR	85.13	CNH Global N.V.	100.000
CNH Capital Receivables Inc.	Wilmington	U.S.A.	5	USD	85.13	Case Credit Corporation	100.000
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	85.13	CNH Global N.V.	100.000
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	85.13	CNH International S.A.	100.000
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	85.13	CNH International S.A.	100.000
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	85.13	CNH Global N.V.	100.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
CNH Financial Services GmbH	Heilbronn	Germany	200,000	EUR	85.13	CNH International S.A.	100.000
CNH Financial Services S.A.	Puteaux	France	38,125	EUR	85.13	CNH Global N.V.	100.000
CNH Financial Services S.r.l.	Modena	Italy	10,400	EUR	85.13	CNH Global N.V.	100.000
CNH France S.A.	Villepinte	France	138,813,150	EUR	85.13	CNH International S.A.	100.000
CNH Information Technology Name LLC	Wilmington	U.S.A.	0	USD	85.13	Case LLC	100.000
CNH International S.A.	Luxembourg	Luxembourg	300,000,000	USD	85.13	CNH Global N.V.	100.000
CNH Latino Americana Ltda	Curitiba	Brazil	215,131,804	BRL	85.13	CNH Global N.V.	55.345
						Case Brasil & CIA. LTDA.	44.655
CNH Maquinaria Spain S.A.	Costada	Spain	21,000,000	EUR	85.13	CNH International S.A.	77.142
						Case LLC	22.857
CNH Movimento Terra S.p.A.	Turin	Italy	12,320,000	EUR	85.13	Case New Holland Italia s.p.a.	100.000
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	85.13	CNH Global N.V.	100.000
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	85.13	CNH Belgium N.V.	100.000
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	85.13	CNH International S.A.	99.980
						Case New Holland Italia s.p.a.	0.020
CNH Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case Credit Corporation	100.000
CNH Serviços Técnicos e Desenvolvimento de Negocios Ltda	Curitiba	Brazil	1,000,000	BRL	85.13	Banco CNH Capital S.A.	100.000
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	85.13	CNH Global N.V.	100.000
CNH U.K. Limited	Basilidon	United Kingdom	91,262,275	GBP	85.13	New Holland Holding Limited	100.000
CNH Wholesale Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case Credit Corporation	100.000
Fiat Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	63.53	Case New Holland Italia s.p.a.	59.625
						CNH Global N.V.	15.000
Fiatallis North America Inc.	Wilmington	U.S.A.	10	USD	85.13	Case New Holland Inc.	100.000
Fiat-Kobelco Construction Machinery Belgium SA	Herstal-lez-Liege	Belgium	247,900	EUR	63.53	Fiat Kobelco Construction Machinery S.p.A.	100.000
Flexi-Coil (U.K.) Limited	York	United Kingdom	1,000	GBP	85.13	CNH Canada Ltd.	100.000
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep. of China	2,859,091	USD	85.13	New Holland Mauritius (Private) Ltd.	99.000
						CNH International S.A.	1.000
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000
JV Uzcageagroleasing LLC	Tashkent	Uzbekistan	0	USD	43.42	Case Credit Holdings Limited	51.000
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	51.08	Case Equipment Holdings Limited	60.000
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	43.42	Case Equipment Holdings Limited	51.000
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	43.42	Case Equipment Holdings Limited	51.000
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	55.34	New Holland Excavator Holdings LLC	65.000
Kobelco Construction Machinery Europe BV	Almere	Netherlands	567,225	EUR	63.53	Fiat Kobelco Construction Machinery S.p.A.	100.000
MBA AG, Baumaschinen	Bassersdorf	Switzerland	4,000,000	CHF	85.13	CNH Global N.V.	100.000
Multi Rental Locação de Maquinas Ltda.	Sorocaba	Brazil	1,000,000	BRL	85.13	CNH Latino Americana Ltda	100.000
New Holland Australia Pty. Limited	Riverstone	Australia	3,500,000	AUD	85.13	CNH Australia Pty Limited	100.000
New Holland (Canada) Credit Name	Calgary	Canada	1,000	CAD	85.13	CNH Canada Ltd.	99.000
						Case Credit Ltd.	1.000
New Holland (Canada) Credit Holding Ltd. in liq.	Toronto	Canada	1	CAD	85.13	CNH Canada Ltd.	100.000
New Holland Canada Ltd.	Saskatoon	Canada	10,403	CAD	85.13	CNH Canada Ltd.	100.000
New Holland Credit Australia Pty Limited	Riverstone	Australia	11,507,150	AUD	85.13	CNH Capital Australia Pty. Ltd.	100.000
New Holland Credit Name LLC	Wilmington	U.S.A.	0	USD	85.13	Fiatallis North America Inc.	100.000
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	85.13	Case LLC	100.000
New Holland Financial Services Ltd	Basilidon	United Kingdom	50,000	GBP	85.13	CNH Global N.V.	100.000
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	85.13	CNH International S.A.	100.000
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	23,555,415	ARS	85.13	CNH Global N.V.	100.000
New Holland Ltd	Basilidon	United Kingdom	1,000,000	GBP	85.13	CNH Global N.V.	100.000
New Holland Mauritius (Private) Ltd.	Port Louis	Mauritius	78,571,333	USD	85.13	Case New Holland Italia s.p.a.	100.000
New Holland North America Inc.	Wilmington	U.S.A.	60	USD	85.13	Fiatallis North America Inc.	100.000
New Holland Receivables Corporation	Wilmington	U.S.A.	10	USD	85.13	Fiatallis North America Inc.	100.000
New Holland Retail Receivables Corporation I	Las Vegas	U.S.A.	1,000	USD	85.13	New Holland Credit Company LLC	100.000
New Holland Retail Receivables Corporation II	Las Vegas	U.S.A.	1,000	USD	85.13	New Holland Retail Receivables Corporation I	100.000
New Holland Tractor Ltd. N.V.	Anversa	Belgium	9,631,500	EUR	85.13	New Holland Holding Limited	100.000
New Holland Tractors (India) Private Ltd	New Delhi	India	210,920,725,750	INR	85.13	New Holland Mauritius (Private) Ltd.	100.000
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	85.13	O & K Orenstein & Koppel GmbH	100.000
O & K Orenstein & Koppel GmbH	Berlin	Germany	61,355,030	EUR	85.13	CNH International S.A.	100.000
Olaf Poulsen A/S	Ishøj	Denmark	6,000,000	DKK	85.13	CNH Danmark A/S	100.000
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	85.13	Case LLC	100.000
Receivables Credit Corporation	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000
Receivables Credit II Corporation	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000
Receivables Credit III Corporation	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000
RosCaseMash	Saratov	Russia	200,000	RUR	32.56	Case Equipment Holdings Limited	38.250
							51.000
Servicios Case Mexicana S.A. de C.V.	Mexico	Mexico	375,000	MXN	85.13	Case LLC	100.000
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep. of China	35,000,000	USD	51.08	New Holland Mauritius (Private) Ltd.	60.000
<b>Commercial Vehicles</b>							
Iveco S.p.A.	Turin	Italy	858,400,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	3,000,000	ETB	70.00	Iveco S.p.A.	70.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
Astra Commercial Vehicles S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000
Brandschutztechnik Gorlitz GmbH	Gorlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000
C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	Saint-Alban-Leyse	France	1,870,169	EUR	99.96	Iveco Eurofire (Holding) GmbH	99.963
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco Pegaso S.L.	59.387
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH	90.000
						Iveco S.p.A.	10.000
Euromoteurs S.A.	Garchizy	France	915,000	EUR	100.00	Iveco France S.A.	100.000
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	61.71	CNH Global N.V.	33.333
						Iveco S.p.A.	33.333
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH	95.000
						Iveco S.p.A.	5.000
Ikarus Egyedi Autobusz GY	Budapest	Hungary	350,000,000	HUF	68.15	Irisbus Holding S.L.	68.146
Ikarusbus Jamugyarto RT	Szekefehervar	Hungary	974,268,827	HUF	100.00	Irisbus Holding S.L.	100.000
Commercial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000
						Iveco Nederland B.V.	5.000
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00	Irisbus Holding S.L.	100.000
Irisbus Deutschland GmbH	Mainz-Mombach	Germany	10,000,000	EUR	100.00	Irisbus Holding S.L.	100.000
Irisbus France S.A.	Vénissieux	France	142,482,000	EUR	100.00	Irisbus Holding S.L.	100.000
Irisbus Holding S.L.	Madrid	Spain	233,670,000	EUR	100.00	Iveco S.p.A.	99.999
						Iveco Pegaso S.L.	0.001
Irisbus Iberica S.L.	Madrid	Spain	28,930,788	EUR	100.00	Irisbus Holding S.L.	100.000
Irisbus Italia S.p.A.	Turin	Italy	100,635,750	EUR	100.00	Irisbus Holding S.L.	100.000
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Irisbus Holding S.L.	100.000
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000
						Iveco Nederland B.V.	25.000
IVC Nutzfahrzeuge AG	Hendschiken	Switzerland	3,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000
IVC Vehicules Industriels S.A.	Morges	Switzerland	1,200,000	CHF	100.00	Iveco (Schweiz) AG	100.000
IVC-Salzburg Nutzfahrzeughandel GmbH	Eugendorf	Austria	37,000	EUR	100.00	Iveco Austria GmbH	100.000
IVC-Wien Nutzfahrzeughandel GmbH	Vienna	Austria	37,000	EUR	100.00	Iveco Austria GmbH	100.000
Iveco Argentina S.A.	Córdoba	Argentina	26,700,000	ARS	100.00	Iveco S.p.A.	100.000
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000
Iveco Bayern GmbH	Norimberga	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000
Iveco Eurofire (Holding) GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG	90.032
						Iveco S.p.A.	9.968
Iveco Fiat Brasil Ltda	Sete Lagoas	Brazil	170,100,000	BRL	95.00	Fiat Automoveis S.A. - FIASA	50.000
						Iveco S.p.A.	48.576
						Iveco Latin America Ltda	1.424
Iveco Finance AG	Kloten	Switzerland	1,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000
Iveco Finance GmbH	Ulm	Germany	40,000,000	EUR	100.00	Iveco Magirus AG	100.000
Iveco Finance Limited	Watford	United Kingdom	100	GBP	100.00	Iveco (UK) Ltd	100.000
Iveco Finanziaria S.p.A.	Turin	Italy	30,000,000	EUR	100.00	Iveco S.p.A.	100.000
Iveco Finland OY	Espoo	Finlandia	200,000	EUR	100.00	Iveco S.p.A.	100.000
Iveco France S.A.	Trappes	France	93,800,000	EUR	100.00	Iveco S.p.A.	100.000
Iveco International Trade Finance S.A.	Paradiso	Switzerland	25,000,000	CHF	100.00	Iveco S.p.A.	100.000
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020
						Iveco S.p.A.	0.980
Iveco Latin America Ltda	Sao Paulo	Brazil	459,700,000	BRL	100.00	Iveco S.p.A.	100.000
Iveco Lease GmbH	Ulm	Germany	775,000	EUR	100.00	Iveco Magirus AG	100.000
Iveco Limited	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco (UK) Ltd	100.000
Iveco Lorraine S.a.s.	Haunconcourt	France	305,600	EUR	100.00	Iveco France S.A.	100.000
Iveco Magirus AG	Ulm	Germany	250,000,000	EUR	100.00	Iveco S.p.A.	53.660
						Fiat Netherlands Holding N.V.	48.340
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Eurofire (Holding) GmbH	99.764
						Iveco S.p.A.	0.236
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	13,120,000	EUR	100.00	Iveco Eurofire (Holding) GmbH	100.000
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000
						Iveco France S.A.	40.000
Iveco Motors of North America Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Iveco S.p.A.	100.000
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	818,500	EUR	100.00	Iveco Magirus AG	100.000
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000
Iveco Nutzfahrzeuge GmbH Hannover Braunschweig	Hannover	Germany	793,000	EUR	100.00	Iveco Magirus AG	100.000
Iveco Nutzfahrzeuge Nord-West GmbH	Dortmund-Wambel	Germany	1,355,000	EUR	100.00	Iveco Magirus AG	100.000
Iveco Otomotiv Ticaret A.S.	Nisantasi-Istanbul	Turkey	5,474,378,000,000	TRL	100.00	Iveco S.p.A.	99.995
Iveco Participations S.A.	Trappes	France	10,896,100	EUR	100.00	Iveco S.p.A.	100.000
Iveco Pegaso S.L.	Madrid	Spain	105,213,628	EUR	100.00	Iveco S.p.A.	100.000
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Limited	50.000
						Iveco (UK) Ltd	50.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights	
Iveco Plan S.A. de Ahorro para fines determinados	Buenos Aires	Argentina	153,000	ARS	100.00	Iveco Argentina S.A. Iveco S.p.A.	99.600 0.400	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A. Astra Veicoli Industriali S.p.A.	99.997 0.001	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco (UK) Ltd	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine Inc.	Kiev	Ukraine	62,515,200	UAH	99.99	Iveco S.p.A. Iveco Ukraine Inc. Iveco-Motor Sich. Inc.	89.489 10.483 0.028	99.968 0.032
Iveco Venezuela C.A.	La Victoria	Venezuela	2,495,691,000	VEB	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Düsseldorf	Germany	1,662,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco-Motor Sich. Inc.	Zaporozhye	Ukraine	26,568,000	UAH	55.56	Iveco S.p.A.	55.556	
Karosa A.S.	Ysoke Myto	Czech Republic	1,065,559,000	CZK	97.52	Société d'Assistance Technique Automobile S.A.T.A.U. S.A.	97.521	
Karosa r.s.o.	Bratislava	Slovak Republic	200,000	SKK	97.52	Karosa A.S.	100.000	
Lohr-Magirus Feuerwehrtechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Lyon Vehicules Industriels S.A.S.	Saint Priest	France	915,000	EUR	100.00	Iveco France S.A.	100.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco Pegaso S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	6,120,000	EUR	100.00	Iveco S.p.A.	100.000	
Rhein-Main Nutzfahrzeuge GmbH Reichold, Franz Kahl & Partners	Frankfurt	Germany	920,325	EUR	100.00	Iveco Magirus AG	100.000	
S.A. Iveco Belgium N.V.	Zellik	Belgium	6,000,000	EUR	100.00	Iveco S.p.A. Iveco Nederland B.V.	99.983 0.017	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France S.A. Société de Diffusion de Vehicules Industriels- SDVI S.A.S.	50.000	
Seddon Atkinson Spares & Service Limited	Oldham	United Kingdom	20,000	GBP	100.00	Seddon Atkinson Vehicles Ltd	100.000	
Seddon Atkinson Vehicles Ltd	Oldham	United Kingdom	41,700,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Sicca S.p.A.	Modena	Italy	5,300,000	EUR	100.00	Iveco S.p.A.	100.000	
S.I.M.I.S.-Société Industrielle pour le Matériels d'Incendie et de Sécurité S.A.	Saint-Alban-Laysse	France	40,016	EUR	97.96	C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	98.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Société d'Assistance Technique Automobile S.A.T.A.U. S.A.	Vénissieux	France	35,610,000	EUR	100.00	Irisbus France S.A.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France S.A.	100.000	
Stevl-Société Stéphanoise de Vehicules Industriels S.A.S.	Saint-Priest-En-Jarez	France	503,250	EUR	100.00	Iveco France S.A.	100.000	
Transolver Finance S.A.	Trappes	France	30,244,800	EUR	100.00	Iveco S.p.A.	100.000	
Transolver Operational Services Limited	Watford	United Kingdom	2,000,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Pegaso S.L.	100.000	
Transolver Service S.p.A.	Turin	Italy	1,989,000	EUR	100.00	Iveco S.p.A.	100.000	
Transolver Services GmbH	Unterschliessheim	Germany	750,000	EUR	100.00	Iveco Magirus AG	100.000	
Transolver Services S.A.	Trappes	France	38,000	EUR	100.00	Fiat France S.A. Iveco France S.A.	90.000 10.000	
Trucksure Services Ltd	Watford	United Kingdom	900,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Utilitaires & Vehicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France S.A.	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco Pegaso S.L.	51.867	
Z H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco S.p.A.	100.000	
<b>Ferrari and Maserati</b>								
Ferrari S.p.A.	Modena	Italy	20,000,000	EUR	56.00	Fiat S.p.A.	56.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	56.00	Ferrari International S.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	56.00	Ferrari S.p.A. Ferrari N.America Inc.	99.999 0.001	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	56.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	56.00	Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	56.00	Ferrari N.America Inc.	100.000	
Maserati S.p.A.	Modena	Italy	31,000,000	EUR	56.00	Ferrari S.p.A.	100.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Neuilly-sur-Seine	France	6,000,000	EUR	56.00	Ferrari International S.A.	100.000	
<b>Components</b>								
Magneti Marelli Holding S.p.A.	Corbetta	Italy	254,324,998	EUR	99.99	Fiat S.p.A.	99.991 100.000	
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Corporation	Farmington Hills	U.S.A.	1,000	USD	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting Holding GmbH in liq.	Innsbruck	Austria	11,952,191	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000
Automotive Lighting o.o.o.	Rjasan	Russia	36,875,663	RUR	85.38	Automotive Lighting Reutlingen GmbH	85.389
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000
C.e.a. Axo Scintex S.A.	Saint Denis	France	16,040,896	EUR	99.99	Seima Italiana S.p.A.	99.998
Fiat CIEI S.p.A.	Corbetta	Italy	624,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000
Illuminacao Automotiva Ltda	Contagem	Brazil	93,260,418	BRL	99.99	Automotive Lighting Reutlingen GmbH	100.000
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorka de Mexico S.A. de CV	98.000
						Industrial Yorka de Tepetzotlan S.A. de C.V.	2.000
Industrial Yorka de Tepetzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorka de Mexico S.A. de CV	99.000
						Industrial Yorka de Mexico S.A. de C.V.	1.000
Kadron S/A	Maua	Brazil	20,000,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000
Magneti Marelli After Market Limited in liq.	Cannock	United Kingdom	1	GBP	99.99	Magneti Marelli After Market S.p.A.	100.000
Magneti Marelli After Market S.p.A.	Turin	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999
						Magneti Marelli Argentina S.A.	84.563
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	2,000,000	ARS	99.90	Magneti Marelli Holding S.p.A.	15.437
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	243,408,933	BRL	99.62	Magneti Marelli Holding S.p.A.	99.628
						Magneti Marelli Holding S.p.A.	99.628
Magneti Marelli Components B.V.	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	12,000	ARS	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.000
						Magneti Marelli Argentina S.A.	1.000
Magneti Marelli Controle Motor Ltda.	Hortolandia	Brazil	125,863,327	BRL	99.99	Magneti Marelli Powertrain S.p.A.	99.997
						Fiat do Brasil S.A.	0.003
Magneti Marelli Deutschland GmbH	Russelsheim	Germany	1,050,000	EUR	99.99	Magneti Marelli After Market S.p.A.	100.000
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	16,868,427	BRL	99.69	Magneti Marelli Holding S.p.A.	99.695
						Magneti Marelli Holding S.p.A.	99.976
Magneti Marelli Escapamentos Ltda	Amparo	Brazil	65,736,384	BRL	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.997
						Fiat do Brasil S.A.	0.003
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000
Magneti Marelli France S.A.	Nanterre	France	67,380,000	EUR	99.88	Magneti Marelli Holding S.p.A.	99.884
						Ufima S.A.S.	0.003
Magneti Marelli Iberica S.A.	Madrid	Spain	99,766	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000
Magneti Marelli Motopropulsion France SAS	Nanterre	France	10,692,500	EUR	99.88	Magneti Marelli France S.A.	100.000
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.62	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000
Magneti Marelli Otomotiv Sistemleri Sanayi ve Ticaret A.S.	Esentepe-Istanbul	Turkey	9,000,000,000	TRL	97.99	Magneti Marelli Holding S.p.A.	98.000
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	10,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000
Magneti Marelli Powertrain S.p.A.	Corbetta	Italy	85,690,872	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999
						Magneti Marelli Holding S.p.A.	100.000
Magneti Marelli Powertrain U.S.A. Inc.	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000
Magneti Marelli Powertrain (WUHU) Co. Ltd.	Anhui	People's Rep. of China	3,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000
Magneti Marelli Services S.p.A.	Corbetta	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999
						Magneti Marelli Holding S.p.A.	100.000
Magneti Marelli Sistemi di Scarico S.p.A.	Corbetta	Italy	20,000,000	EUR	99.99	Magneti Marelli Components B.V.	100.000
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000
Magneti Marelli Svenska A/B in liq.	Goteborg	Sweden	100,000	SEK	99.99	Magneti Marelli Components B.V.	100.000
Magneti Marelli Tubos de Escape SL	Barcelona	Spain	10,154,256	EUR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000
Magneti Marelli U.K. Limited	Cannock	United Kingdom	12,400,000	GBP	99.99	Magneti Marelli Components B.V.	100.000
Malaysian Automotive Lighting SDN. BHD	Penang	Malaysia	8,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000
Midas Autoservice GmbH	Vienna	Austria	472,373	EUR	99.99	Magneti Marelli Services S.p.A.	100.000
Midas Europe S.A.M.	Monaco	Princ. of Monaco	331,000	EUR	99.99	Magneti Marelli Services S.p.A.	100.000
Midas France S.a.s.	Celle S. Cloud	France	17,475,000	EUR	99.99	Magneti Marelli Services S.p.A.	99.999
						Midas Italia S.p.A.	0.001
Midas Italia S.p.A.	Milan	Italy	5,000,000	EUR	99.99	Magneti Marelli Services S.p.A.	100.000
Midas Polska Sp. z o.o.	Warsaw	Poland	8,650,000	PLN	99.99	Magneti Marelli Services S.p.A.	100.000
Midas S.A.	Berchem	Belgium	4,000,000	EUR	99.99	Magneti Marelli Services S.p.A.	99.774
						Midas Italia S.p.A.	0.226
Midas Schweiz AG	Zurich	Switzerland	680,000	CHF	99.99	Magneti Marelli Services S.p.A.	100.000
Midas Silenciador S.L.	Madrid	Spain	3,093,563	EUR	99.99	Magneti Marelli Services S.p.A.	100.000
Midas Spain Inc.	Chicago	U.S.A.	1,000	USD	99.99	Magneti Marelli Services S.p.A.	100.000
MotorMust.com S.p.A. in liq.	Milan	Italy	2,300,000	EUR	99.66	Magneti Marelli Services S.p.A.	99.674
Sadim S.a.r.l.	Celle S. Cloud	France	8,000	EUR	99.99	Midas France S.a.s.	100.000
Seima Italiana Deutschland GmbH	Grasbrunn-Neukerferloh	Germany	25,565	EUR	98.99	Seima Italiana S.p.A.	99.000
Seima Italiana S.p.A.	Tolmezzo	Italy	13,220,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000
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 Corporation	100.000
Tutela Lubrificantes S.A.	Contagem	Brazil	941,028	BRL	99.99	Magneti Marelli Holding S.p.A.	100.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.94	Magneti Marelli Holding S.p.A. Fiat Partecipazioni S.p.A. Magneti Marelli Components B.V.	35.541 34.980 29.426
Yorka de Mexico S.A. de CV	El Marques Queretaro	Mexico	50,000	MXN	99.99	Yorka SA - Senalización y Accesorios del Automovil	100.000
Yorka SA - Senalización y Accesorios del Automovil	Linares del Valles	Spain	9,153,693	EUR	99.99	Seima Italiana S.p.A.	100.000
<b>Production Systems</b>							
Comau S.p.A.	Grugliasco	Italy	140,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000
Comau Argentina S.A.	Buenos Aires	Argentina	3,617,977	ARS	100.00	Comau S.p.A. Comau do Brasil Industria e Comercio Ltda. Fiat Argentina S.A.	55.283 44.689 0.028
Comau Australia Pty. Ltd	Wingfield	Australia	765,589	AUD	100.00	Comau S.p.A.	99.998
Comau Belgium N.V.	Zedelgem	Belgium	175,000	EUR	100.00	Comau S.p.A. Comau Service France S.A.	99.900 0.100
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	112,794,611	BRL	100.00	Comau S.p.A. Fiat do Brasil S.A.	99.999 0.001
Comau Estil Unl.	Luton	United Kingdom	46,108,100	USD	100.00	Comau S.p.A.	100.000
COMAU Germann-Intec GmbH & Co. KG	Heilbronn	Germany	1,478,614	EUR	100.00	Germann-Intec Verwaltungs GmbH	100.000
Comau India Private Limited	Pune	India	58,435,020	INR	100.00	Comau S.p.A. Comau Deutschland GmbH	99.990 0.010
COMAU Ingest Sverige AB	Trollhattan	Sweden	10,000,000	SEK	100.00	Comau S.p.A. Ingest Facility S.p.A.	51.000 49.000
Comau Pico Holdings Corporation	Southfield	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000	PLN	100.00	Comau S.p.A.	100.000
Comau Quad Precision (Pty) Ltd. in liq.	Eppindust	South Africa	1,000	ZAR	83.70	Comau South Africa (Pty) Ltd.	83.700
Comau Romania S.R.L.	Bihor	Romenia	3,249,800,000	ROL	100.00	Comau S.p.A.	100.000
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	300	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000
Comau SA Press Tools and Parts (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000
Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000
Comau Sciaky S.A.	Trappes	France	40,000	EUR	99.76	Comau Systèmes France S.A.	99.760
Comau Service France S.A.	Trappes	France	2,250,000	EUR	99.99	Comau S.p.A.	99.987
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000
Comau Service U.K. Ltd	Watford	United Kingdom	50,000	GBP	100.00	Comau S.p.A.	100.000
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep. of China	1,000,000	USD	100.00	Comau S.p.A.	100.000
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,000	ZAR	100.00	Comau S.p.A.	100.000
Comau Systèmes France S.A.	Trappes	France	29,173,600	EUR	100.00	Comau S.p.A.	100.000
Eagle Test and Assembly Co.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000
Estil Shrewsbury Ltd. in liq.	Shropshire	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000
Geico do Brasil Ltda	Betim	Brazil	202,950	BRL	48.78	Geico S.p.A. Comau do Brasil Industria e Comercio Ltda.	95.565 0.044
Geico Endustriyel Taahhut A.S.	Istanbul	Turkey	100,000,000,000	TRL	50.98	Geico S.p.A.	99.959
Geico S.p.A.	Cinisello Balsamo	Italy	3,627,000	EUR	51.00	Comau S.p.A.	51.000
Germann-Intec Verwaltungs GmbH	Heilbronn	Germany	25,000	EUR	100.00	Comau Deutschland GmbH	100.000
Italfach S.p.A.	Brescia	Italy	1,000,000	EUR	100.00	Comau S.p.A.	100.000
Mecaner S.A.	Urduliz	Spain	6,000,000	EUR	100.00	Comau S.p.A.	100.000
Novi Industries, Inc.	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000
Numerical Control Center, Inc. in liq.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000
Pico East, Inc.	Macomb	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000
Pico Estil Control Systems Ltd.	Rainham	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000
Pico Estil Manufacturing Ltd. in liq.	Luton	United Kingdom	5,000	GBP	100.00	Comau Estil Unl.	100.000
Pico Europe, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau S.p.A.	100.000
Pico Expatriate, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000
Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau S.p.A.	99.967 0.033
Pico Pitec S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau S.p.A.	99.967 0.033
Pico Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000
Precision Com Corp.	Plymouth	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000
Progressive Industries Co. of Canada Ltd.	Windsor	Canada	100	CAD	100.00	Comau S.p.A.	100.000
Progressive Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A. Comau Deutschland GmbH	99.967 0.033
Progressive Tool & Industries Name	Southfield	U.S.A.	21,455	USD	100.00	Comau Pico Holdings Corporation	100.000
Trebol Tepotzotlan S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V. Comau S.p.A.	99.967 0.033
Wisne Automation & Engineering Co.	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000
Wisne Technologies, Inc. in liq.	Royal Oak	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
<b>Metallurgical Products</b>							
Teksid S.p.A.	Turin	Italy	239,600,000	EUR	80.48	Fiat Partecipazioni S.p.A.	80.482
Accurcast Limited	Saint John	Canada	39,684,600	CAD	41.05	Meridian Technologies Inc.	100.000
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	80.48	Teksid S.p.A.	100.000
Funfrap-Fundicao Portuguesa S.A.	Aveiro	Portugal	13,697,550	EUR	67.29	Fonderie du Poitou Fonte S.A.S.	83.607
Jutras Die Casting Limited	Saint John	Canada	24,490,715	CAD	41.05	Meridian Technologies Inc.	100.000
Magnesium Products of America Inc.	Eaton Rapids	U.S.A.	43,454,000	USD	41.05	Meridian Technologies Inc. Meridian Magnesium N.V. in liq.	69.439 30.561
Magnesium Products of Italy S.r.l.	Verres	Italy	13,962,000	EUR	41.05	Magnesium Products of America Inc.	100.000
Meridian Deutschland GmbH	Heilbronn	Germany	25,600	EUR	41.05	Meridian Technologies Inc.	100.000
Meridian Magnesium LLC	Wilmington	U.S.A.	4,962	USD	41.05	1118395 Ontario Inc. Meridian Technologies Inc.	90.000 10.000
Meridian Magnesium N.V. in liq.	Amstelveen	Netherlands	35,193,626	EUR	41.05	Meridian Technologies Inc.	100.000
Meridian Technologies Inc.	Saint John	Canada	179,063,445	CAD	41.05	Teksid S.p.A. Teksid Acquisition Inc.	31.450 19.550
Shanghai Meridian Magnesium Products Name Limited	Shanghai	People's Rep. of China	8,000,000	USD	24.63	Meridian Technologies Inc.	60.000
Société Bretonne de Fonderie et de Mecanique S.A.	Caudan	France	10,549,860	EUR	80.48	Teksid S.p.A.	100.000
Teksid Acquisition Inc.	Toronto	Canada	72,300,001	CAD	80.48	Teksid S.p.A.	100.000
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	80.48	Teksid S.p.A.	100.000
Teksid Hierro de Mexico S.A. de C.V.	Sao Pedro	Mexico	567,466,400	MXN	60.36	Teksid S.p.A.	75.000
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	60.36	Teksid S.p.A.	75.000
Teksid Investment N.V. in liq.	Amsterdam	Netherlands	69,000,000	EUR	80.48	Teksid S.p.A.	100.000
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	80.48	Teksid S.p.A.	100.000
1118395 Ontario Inc.	Saint John	Canada	6,210	CAD	41.05	Meridian Technologies Inc.	100.000
<b>Services</b>							
Business Solutions S.p.A.	Turin	Italy	10,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Building Services S.r.l.	Turin	Italy	90,000	EUR	51.00	Ingest Facility S.p.A.	51.000
Building Support S.r.l. a socio unico	Turin	Italy	90,000	EUR	51.00	Building Services S.r.l.	100.000
Business Solutions Deutschland FiatGroup GmbH	Ulm	Germany	200,000	EUR	100.00	Business Solutions S.p.A.	100.000
Business Solutions do Brasil Ltda	Nova Lima	Brazil	36,915,955	BRL	100.00	Business Solutions S.p.A.	100.000
Business Solutions France FiatGroup S.a.s.	Levallois-Perret	France	695,600	EUR	100.00	Business Solutions S.p.A. Fiat France S.A.	60.000 40.000
Business Solutions Iberica Fiat Group SL	Madrid	Spain	369,327	EUR	100.00	Business Solutions S.p.A. Fiat Iberica S.A.	80.000 20.000
Business Solutions Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Business Solutions S.p.A. Fiat Polska Sp. z o.o.	99.986 0.014
Cleantecno S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000
Cromos Consulenza e Formazione S.r.l.	Turin	Italy	13,000	EUR	74.96	Isvor Knowledge System S.p.A.	76.000
Delivery & Mail S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000
Easy Drive S.r.l. a S.U.	Turin	Italy	10,400	EUR	100.00	Business Solutions S.p.A.	100.000
eSPIN S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Business Solutions S.p.A.	100.000
Fast Buyer do Brasil Ltda	Nova Lima	Brazil	50,000	BRL	99.92	Fast-Buyer S.p.A. Business Solutions do Brasil Ltda	99.998 0.002
Fast Buyer France S.a.r.l.	Paris	France	7,700	EUR	99.92	Fast-Buyer S.p.A.	100.000
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	99.92	Business Solutions S.p.A.	99.916
Fiat Engineering France S.A.	Paris	France	680,000	EUR	99.98	Fiat Engineering S.p.A.	99.984
Fiat Engineering India Ltd.	New Delhi	India	3,500,000	INR	100.00	Fiat Engineering S.p.A.	100.000
Fiat Engineering S.p.A.	Turin	Italy	10,588,250	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Fiat GES.CO. Belgium N.V.	Brugge	Belgium	62,500	EUR	100.00	Gesco U.K. Limited Fiat Gesco S.p.A.	99.960 0.040
Fiat Gesco S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000
FiatEngineering do Brasil-Comercio e Industria Ltda	Belo Horizonte	Brazil	8,500,000	BRL	100.00	Fiat Engineering S.p.A. Fiat Engineering France S.A.	78.800 21.200
Gesco U.K. Limited	Basilidon	United Kingdom	750,000	GBP	100.00	Fiat Gesco S.p.A. Fiat United Kingdom Limited	75.000 25.000
GestioneLavoro S.p.A.	Turin	Italy	100,000	EUR	51.00	H.R. Services S.p.A.	51.000
Global Value S.p.A.	Turin	Italy	1,000,000	EUR	50.00	Business Solutions S.p.A.	50.000
H.R. Services S.p.A.	Turin	Italy	400,000	EUR	100.00	Business Solutions S.p.A.	100.000
Individua S.p.A.	Milan	Italy	105,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	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
Isvor Knowledge System S.p.A.	Turin	Italy	500,000	EUR	98.63	Business Solutions S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	70.000 30.000
Japigia 2000 S.r.l.	Turin	Italy	98,000	EUR	95.00	Fiat Engineering S.p.A.	95.000
KeyG Consulting S.p.A.	Turin	Italy	125,000	EUR	60.00	Fiat Gesco S.p.A. Business Solutions S.p.A.	52.800 7.200
La Fenice S.A.	Buenos Aires	Argentina	12,000	ARS	100.00	Business Solutions do Brasil Ltda Fiat Auto Argentina S.A.	99.992 0.008
Learning Systems S.p.A.	Milan	Italy	104,000	EUR	50.30	Isvor Knowledge System S.p.A.	51.000
Matrix S.r.l. (liquidation)	Turin	Italy	30,000	EUR	98.63	Isvor Knowledge System S.p.A.	100.000



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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
Sadi Brasil Ltda.	Nova Lima	Brazil	100,000	BRL	97.01	Business Solutions do Brasil Ltda CNH Latino Americana Ltda Fiat Automoveis S.A. - FIASA Iveco Fiat Brasil Ltda Iveco Latin America Ltda	60.000 10.000 10.000 10.000 10.000
Risk Management S.p.A.	Turin	Italy	104,000	EUR	100.00	Business Solutions S.p.A.	100.000
Sadi Polska-Agencia Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000
Scuola di Pubblica Amministrazione s.p.a.	Lucca	Italy	100,000	EUR	51.98	Isvor Knowledge System S.p.A.	52.700
Services e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Business Solutions S.p.A.	100.000
Sestrieres S.p.A.	Sestriere	Italy	16,120,000	EUR	70.00	Business Solutions S.p.A.	70.000
Sporting Club Sestrieres S.r.l.	Sestriere	Italy	312,000	EUR	70.00	Sestrieres S.p.A.	100.000
Telexis do Brasil Ltda.	Nova Lima	Brazil	1,400	BRL	99.94	Fast Buyer do Brasil Ltda Business Solutions do Brasil Ltda	71.357 28.643
TRANSFIMA S.p.A.	Turin	Italy	1,020,000	EUR	51.00	Fiat Engineering S.p.A.	51.000
Trantor S.r.l.	Milan	Italy	104,000	EUR	100.00	Ingest Facility S.p.A.	100.000
Worknet Formazione S.r.l.	Milan	Italy	50,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	100.000
WorkNet società di fornitura di lavoro temporaneo-per azioni	Rome	Italy	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
<b>Publishing and Communications</b>							
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000
<b>Miscellaneous and Holding companies</b>							
Atlant S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Cell Receivables Limited	Dublin	Ireland	52	EUR	100.00	Fiat Finance and Trade Ltd	100.000
Centro Ricerche Plast-Optica S.r.l.	Amaro	Italy	1,033,000	EUR	72.36	C.R.F. Società Consortile per Azioni Seima Italiana S.p.A.	51.000 24.500
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,400,000	EUR	93.84	Fiat Auto S.p.A. Iveco S.p.A. Magneti Marelli Holding S.p.A. Case New Holland Italia s.p.a. Comau S.p.A. Teksid S.p.A. Fiat Partecipazioni S.p.A. Ferrari S.p.A.	40.000 20.000 20.000 5.000 5.000 5.000 4.000 1.000
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	91.17	Fiat Auto S.p.A. C.R.F. Società Consortile per Azioni CNH Movimento Terra S.p.A. Fiat Partecipazioni S.p.A. Iveco S.p.A. Ferrari S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Fiat S.p.A.	56.000 27.933 6.800 4.450 3.300 1.100 0.250 0.167
Fahag Immobilien-und Finanz-Gesellschaft AG	Zurich	Switzerland	500,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000
Fias Fiat Administration und Service GmbH	Ulm	Germany	102,258	EUR	98.00	Iveco Magirus AG Fiat Automobil AG	80.000 20.000
Fiat Argentina S.A.	Buenos Aires	Argentina	520,002	ARS	100.00	Fiat Partecipazioni S.p.A. SGR-Sociedad para la Gestion de Riesgos	99.990 0.010
Fiat Concord S.A.	Buenos Aires	Argentina	1	ARS	100.00	Fiat Argentina S.A. SGR-Sociedad para la Gestion de Riesgos	99.990 0.010
Fiat do Brasil S.A.	Nova Lima	Brazil	999,684	BRL	100.00	Fiat Partecipazioni S.p.A. Fiat Gesco S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	99.932 0.061 0.007
Fiat Energia S.r.l.	Turin	Italy	350,088,770	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Ge.Va. S.p.A. Fiat do Brasil S.A.	99.994 0.006
Fiat Finance and Trade Ltd	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Ge.Va. S.p.A. Fiat Finance Canada Ltd.	99.993 0.007
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Ge.Va. S.p.A.	100.000
Fiat Finance France S.N.C.	Paris	France	228,674	EUR	99.83	Fiat France S.A. Sofice-Société de Financement des Concessionnaires s.a.s.	98.333 1.667
Fiat Finance Luxembourg S.A.	Luxembourg	Luxembourg	100,000	USD	100.00	Intermap (Nederland) B.V. Fiat Netherlands Holding N.V.	99.000 1.000
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Ge.Va. S.p.A. Fiat S.p.A.	60.526 39.474
Fiat France S.A.	Paris	France	55,216,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000



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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
Fiat Ges.co France (GEIE)	Levallois-Perret	France	0	EUR	98.48	Fiat Gesco S.p.A. Magneti Marelli France S.A. Fiat Auto (France) S.A. Iveco France S.A.	50.000 20.000 15.000 15.000
Fiat Gesco UK Limited in liq.	London	United Kingdom	625,767	GBP	100.00	Fiat United Kingdom Limited	100.000
Fiat Ge.Va. S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	91.72	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 Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Fiat Information & Communication Services S.r.l.	Turin	Italy	800,000	EUR	100.00	Fiat S.p.A. Fiat Partecipazioni S.p.A.	51.000 49.000
Fiat International S.p.A.	Turin	Italy	1,300,000	EUR	100.00	Fiat S.p.A.	100.000
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	4,366,482,748	EUR	100.00	Fiat S.p.A. Fiat Partecipazioni S.p.A. IHF-Internazionale Holding Fiat S.A.	60.563 24.504 14.933
Fiat Partecipazioni S.p.A.	Turin	Italy	3,924,685,869	EUR	100.00	Fiat S.p.A.	100.000
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	3,850,000	EUR	93.22	Fiat S.p.A. Fiat Auto S.p.A. Iveco S.p.A. Magneti Marelli Holding S.p.A. Business Solutions S.p.A. Case New Holland Italia s.p.a. Fiat Partecipazioni S.p.A. H.R. Services S.p.A. Teksid S.p.A. Comau S.p.A. C.R.F. Società Consortile per Azioni Editrice La Stampa S.p.A.	36.468 33.532 6.000 4.000 3.000 3.000 3.000 2.000 2.000 1.500 1.500 1.500
Fiat Servizi S.A.	Paradiso	Switzerland	100,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000
Fiat United Kingdom Limited	London	United Kingdom	860,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000
Fiat-Revisione Interna e Ispettorato S.c.r.l.	Turin	Italy	300,000	EUR	93.34	Fiat Auto S.p.A. Fiat Partecipazioni S.p.A. Fiat S.p.A. CNH Global N.V. Iveco S.p.A. Comau S.p.A. Ferrari S.p.A. Itedi-Italiana Edizioni S.p.A. Magneti Marelli Holding S.p.A. Teksid S.p.A. Business Solutions S.p.A. Fiat Ge.Va. S.p.A.	20.000 15.667 14.000 10.000 10.000 5.000 5.000 5.000 5.000 5.000 4.333 1.000
IHF-Internazionale Holding Fiat S.A.	Paradiso	Switzerland	2,000,000,000	CHF	100.00	Fiat S.p.A.	100.000
Intermap (Nederland) B.V.	Amsterdam	Netherlands	72,605	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Isvor Dealemet S.r.l.	Turin	Italy	10,000	EUR	94.34	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Fiat Auto S.p.A.	80.000 20.000
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	95.43	Fiat S.p.A. Fiat Auto S.p.A. Iveco S.p.A. Case New Holland Italia s.p.a. Magneti Marelli Holding S.p.A. Comau S.p.A. Business Solutions S.p.A. Teksid S.p.A.	26.000 22.000 17.000 12.000 9.000 8.000 3.000 3.000
La Stampa Europe SAS	Paris	France	18,600,000	EUR	100.00	Fiat France S.A.	100.000
Neptunia Assicurazioni Maritime S.A.	Lugano	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000
New Business Quattordici S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Palazzo Grassi S.p.A.	Venice	Italy	8,500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Pharos S.r.l.	Turin	Italy	105,000	EUR	93.54	Fiat Servizi per l'Industria S.c.p.a. Fiat Partecipazioni S.p.A.	95.238 4.762
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000
Sisport Fiat Società per Azioni-SF	Turin	Italy	7,120,800	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
<b>Subsidiaries valued by the equity method</b>							
<b>Automobiles</b>							
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	90.00	Fiat Auto S.p.A.	100.000
Alfa Romeo Motors Ltd.	Bangkok	Thailand	100,000,000	THB	90.00	Fiat Auto S.p.A.	99.999
Andalcar Motor S.L.	Jerez	Spain	186,927	EUR	90.00	Inmap 2000 Espana S.L.	100.000
Auto Italia Erfurt GmbH in liquidazione	Erfurt	Germany	1,284,000	EUR	90.00	Fiat Automobil Vertriebs GmbH	100.000
BDC SA & Co.	Brussels	Belgium	1,992,768	EUR	90.00	Italian Automotive Center S.A. B.D.C. S.A.	86.840 13.160
Copada S.A.S.	Paris	France	750,000	EUR	90.00	International Metropolitan Automotive Promotion (France) S.A.	100.000
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	90.00	Fiat Auto (Suisse) S.A.	100.000
Fiat Auto Egypt Industrial Name SAE	Giza	Egypt	50,000,000	EGP	72.36	Fiat Auto S.p.A.	80.400
Fiat Auto Egypt S.A.E.	Giza	Egypt	500,000	EGP	71.64	Fiat Auto Egypt Industrial Company SAE	99.000
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	60,000	ARS	90.01	Fiat Auto Argentina S.A. Fiat Argentina S.A.	99.900 0.100
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	150,000,000	THB	90.00	Fiat Auto S.p.A.	100.000
Fiat Automoviles Venezuela C.A.	Caracas	Venezuela	300,000	VEB	90.00	Fiat Automovels S.A. - FIASA	100.000
Italcar SA	Casablanca	Morocco	4,000,000	MAD	90.00	Inmap 2000 Espana S.L.	100.000
Leasys S.p.A.	Fiumicino	Italy	319,200,000	EUR	45.90	Fidis Renting Italia S.p.A.	51.000
Multipoint Sevilla S.A.	Seville	Spain	836,611	EUR	90.00	Inmap 2000 Espana S.L.	100.000
SA France Auto	Roubaix	France	1,981,837	EUR	90.00	International Metropolitan Automotive Promotion (France) S.A.	100.000
SA France Auto Roubaix	Roubaix	France	89,213	EUR	90.00	International Metropolitan Automotive Promotion (France) S.A.	100.000
Saigarage S.p.A. in liq.	Turin	Italy	516,456	EUR	90.00	Fiat Auto Var S.r.l. a S.U.	100.000
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	77.98	Fiat Auto Poland S.A.	100.000
Zao Nizhegorod Motors	Nizhny Novgorod	Russia	24,660,000	RUR	65.83	Fiat Auto S.p.A.	73.139 73.127
<b>Agricultural and Construction equipment</b>							
Challenger New Holland Ltd.	Ottawa	Canada	623,000	CAD	49.89	New Holland Canada Ltd.	58.604
Farmers New Holland Inc.	Wilmington	U.S.A.	650,000	USD	85.13	New Holland North America Inc.	100.000
First State New Holland Inc.	Wilmington	U.S.A.	260,000	USD	59.99	New Holland North America Inc.	70.462
Garden City New Holland Inc.	Wilmington	U.S.A.	542,500	USD	55.85	New Holland North America Inc.	65.604
La Grande New Holland Inc.	Wilmington	U.S.A.	404,800	USD	64.57	New Holland North America Inc.	75.840
Medicine Hat New Holland Ltd.	Ottawa	Canada	956,400	CAD	75.40	New Holland Canada Ltd.	88.570
Memphis New Holland Inc.	Wilmington	U.S.A.	487,600	USD	82.36	New Holland North America Inc.	96.739
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	78.32	New Holland North America Inc.	92.000
Pensacola Tractor & Equipment Inc.	Wilmington	U.S.A.	330,000	USD	85.13	New Holland North America Inc.	100.000
Redwood Equipment Inc.	Wilmington	U.S.A.	516,500	USD	85.13	New Holland North America Inc.	100.000
Ridgeview New Holland Inc.	Wilmington	U.S.A.	449,100	USD	76.96	New Holland North America Inc.	90.403
St. Catharines New Holland Ltd.	Ottawa	Canada	327,700	CAD	57.62	New Holland Canada Ltd.	67.680
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000	USD	80.11	New Holland North America Inc.	94.103
Tallahassee New Holland Inc.	Wilmington	U.S.A.	385,000	USD	82.92	New Holland North America Inc.	97.403
Topeka New Holland Inc.	Wilmington	U.S.A.	400,000	USD	70.79	New Holland North America Inc.	83.150
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000	USD	85.13	New Holland North America Inc.	100.000
<b>Commercial Vehicles</b>							
Altra S.p.A.	Genoa	Italy	516,400	EUR	66.67	Irisbus Italia S.p.A.	66.670
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco Pegaso S.L.	100.000
Financiere Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco Pegaso S.L.	100.000
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	ZRN	100.00	Iveco S.p.A.	99.992
<b>Components</b>							
Cofap Companhia Fabricadora de Pecas LTDA	Santo Andre	Brazil	60,838,291	BRL	68.14	Magneti Marelli do Brasil Industria e Comercio SA	68.350
Seima Italiana Auto Svet	Krasnig Oktjabr Kirz	Russia	14,574,000	RUR	99.99	Seima Italiana S.p.A.	100.000
Seima Italiana Russia	Vjazniki Vladimir	Russia	100,000,000	RUR	99.99	Seima Italiana S.p.A.	100.000
<b>Metallurgical Products</b>							
Compania Industrial Frontera S.A. de C.V.	Sao Pedro	Mexico	50,000	MXN	60.36	Teksid Hierro de Mexico S.A. de C.V.	100.000
Teksid of India Private Limited Name	Panaji	India	403,728,450	INR	80.48	Teksid S.p.A.	100.000
<b>Services</b>							
FiatEngineering Polska Sp. z o.o.	Bielsko-Biala	Poland	100,000	PLN	100.00	Fiat Engineering S.p.A.	100.000
<b>Miscellaneous and Holding companies</b>							
Banca Unione di Credito (Cayman) Ltd	Grand Cayman	Cayman Islands	10,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000
BUC - Banca Unione di Credito	Lugano	Switzerland	100,000,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000
Business Solutions FiatGroup USA Inc.	Wilmington	U.S.A.	1,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Turin	Italy	520,000	EUR	84.42	Fiat Auto S.p.A. Iveco S.p.A. C.R.F. Società Consortile per Azioni	49.000 30.000 11.000
European Engine Alliance EEIG	Maidenhead	United Kingdom	0	GBP	61.71	CNH U.K. Limited Iveco S.p.A.	33.333 33.333
Fiat Deutschland GmbH	Ulm	Germany	511,292	EUR	100.00	Fiat Finance and Trade Ltd	100.000
Fiat Geva Europe Ltd. in liq.	Dublin	Ireland	219,494,225	EUR	100.00	Fiat Finance and Trade Ltd	100.000
Fiat Russia OOO	Moscow	Russia	18,509,050	RUR	100.00	Fiat Partecipazioni S.p.A. Fiat International S.p.A.	80.000 20.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
Luganova S.A.	Lugano	Switzerland	3,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000
New Business 7 S.p.A.	Turin	Italy	11,899,524	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
New Business 8 S.p.A.	Turin	Italy	1,437,210	EUR	100.00	New Business 7 S.p.A.	100.000
Norfinance & Associates S.A.	Geneva	Switzerland	4,600,000	CHF	100.00	BUC - Banca Unione di Credito	100.000
Norfinance Gestion (Ticino) S.A.	Mendrisio	Switzerland	300,000	CHF	100.00	Norfinance & Associates S.A.	100.000
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960
Sistemi Ambientali S.p.A. in liq.	Rivoli	Italy	9,544,080	EUR	99.78	Fiat Partecipazioni S.p.A.	99.778

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
<b>Subsidiaries valued at cost</b>							
<b>Automobiles</b>							
Fiat Auto de Mexico Sociedad Anonima de Capital Variable (S.A. de C.V.) in liq.	Mexico City	Mexico	50,000	MXN	90.00	Fiat Auto S.p.A. Fiat Automoveis S.A. - FIASA	99.998 0.002
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	85.50	Fiat Auto Espana S.A.	95.000
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	72.00	Fiat Auto Portuguesa S.A.	80.000
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	25,000	EUR	90.00	Fiat Auto S.p.A. Fidis S.p.A.	99.000 1.000
Powertrain India Pvt. Ltd.	Mumbai	India	101,000	INR	90.00	Fiat India Automobiles Private Limited	100.000
Pro-Car LLC	Moscow	Russia	1,001,000	RUR	90.00	Nuove Iniziative Finanziarie 2 S.r.l.	100.000
<b>Agricultural and Construction equipment</b>							
Consorzio Fiat-Kobelco Isvor Dealernet Rete in liquidazione	San Mauro Torinese	Italy	21,175	EUR	40.95	Fiat Kobelco Construction Machinery S.p.A. Isvor Dealernet S.r.l.	46.341 12.195
David Brown Tractors (Ireland) Ltd.	Dublin	Ireland	25,395	EUR	85.13	Pryor Foundry Inc.	100.000
Fermecc North America Inc.	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000
International Harvester Name	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000
J.I. Case Name Limited	Doncaster	United Kingdom	2	GBP	85.13	Case United Kingdom Limited	100.000
New Holland Superannuation Pty. Ltd.	St. Marys	Australia	2	AUD	85.13	New Holland Australia Pty. Limited	100.000
<b>Commercial Vehicles</b>							
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	51,646	EUR	59.54	Iveco S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	50.000 10.000
Gestrans S.A.	Suresnes	France	45,730	EUR	100.00	Irisbus France S.A.	100.000
Ikarus Trade Kft.	Budapest	Hungary	423,220,000	HUF	100.00	Ikarusbus Jamugyarto RT Irisbus Holding S.L.	99.976 0.024
IkarusBus Trejd KFT in liq.	Moscow	Russia	20,000	USD	100.00	Ikarusbus Jamugyarto RT	100.000
Iran Magirus-Deutz	Teheran	Iran	180,000,000	IRR	100.00	Iveco Magirus AG	100.000
Irisbus Benelux Ltd.	Luxembourg	Luxembourg	594,000	EUR	100.00	Irisbus France S.A. Société Charolaise de Participations S.A.	99.983 0.017
Irisbus North America Limited Liability Name	Dover	U.S.A.	20,000	USD	100.00	Irisbus France S.A.	100.000
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	75,699,000	COP	99.00	Iveco Venezuela C.A.	99.000
Iveco Defence Vehicles S.p.A.	Bolzano	Italy	100,000	EUR	100.00	Iveco S.p.A.	100.000
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	ROL	75.88	Iveco Magirus Brandschutztechnik GmbH Brandschutztechnik Gorlitz GmbH Iveco Eurofire (Holding) GmbH	74.000 1.000 1.000
Sivi S.p.A. in liquidazione	Trezzano Rosa	Italy	500,000	EUR	100.00	Iveco S.p.A.	100.000
<b>Components</b>							
Automotive Lighting Japan K.K.	Kohoku-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000
Magneti Marelli Auto Pecas Ltda.	Sao Paulo	Brazil	1,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000
Magneti Marelli Automotive Components (India) Limited	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B.V.	100.000
Magneti Marelli Pecas de Reposicao Ltda	Sao Paulo	Brazil	1,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000
Rien E.U.R.L. in liq.	Vaulx-En-Velin	France	45,735	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000
Yorka Northamerica Corp.	Southfield	U.S.A.	10,000	USD	99.99	Yorka de Mexico S.A. de CV	100.000
<b>Production Systems</b>							
Comau Russia OOO	Moscow	Russia	4,770,225	RUR	100.00	Comau S.p.A. Comau Deutschland GmbH	99.000 1.000
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep. of China	200,000	USD	100.00	Comau S.p.A.	100.000
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000
Synesis	Modugno	Italy	20,000	EUR	75.00	Comau S.p.A.	75.000
<b>Services</b>							
C.O.A.V. Città Ospedaliera Avellino S.c. a r.l.	Parma	Italy	25,500	EUR	51.00	Fiat Engineering S.p.A.	51.000
Consorzio Co.Ge.Av. in liquidazione	Turin	Italy	51,646	EUR	100.00	Fiat Engineering S.p.A.	100.000
Consorzio Infatecno	Turin	Italy	35,000	EUR	70.00	Ingest Facility S.p.A. Cleantecno S.r.l.	55.000 15.000
CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali	Turin	Italy	15,000	EUR	60.00	Ingest Facility S.p.A.	60.000
Fast Buyer Middle East A.S.	Bursa	Turkey	95,000,000,000	TRL	98.72	Fast-Buyer S.p.A.	98.800
Gestione Servizi Territoriali S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000
Immobiliare F.E. S.r.l. a Socio Unico	Turin	Italy	30,000	EUR	100.00	Fiat Engineering S.p.A.	100.000
Transfima Gruppo Europeo di Interesse Economico	Turin	Italy	250,000	EUR	50.65	Fiat Engineering S.p.A.	43.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
<b>Miscellaneous and Holding companies</b>							
Centro.com S.r.l. a S.U.	Turin	Italy	25,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Consorzio "Sirio" per la Sicurezza Industriale	Turin	Italy	56,239	EUR	65.51	Fiat Auto S.p.A.	37.027
						Iveco S.p.A.	9.705
						Magneti Marelli Powertrain S.p.A.	1.663
						Fiat S.p.A.	1.593
						Comau S.p.A.	1.590
						Ferrari S.p.A.	1.547
						Teksid S.p.A.	1.405
						Irisbus Italia S.p.A.	1.315
						Fiat Gesco S.p.A.	1.169
						Sistemi Sospensioni S.p.A.	1.164
						Fiat Kobelco Construction Machinery S.p.A.	1.134
						C.R.F. Società Consortile per Azioni	1.131
						Fiat Servizi per l'Industria S.c.p.a.	1.065
						Fiat Ge.Va. S.p.A.	0.949
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.948
						Fidis S.p.A.	0.638
						Magneti Marelli Sistemi di Scarico S.p.A.	0.498
						Fiat Engineering S.p.A.	0.489
						Automotive Lighting Italia S.p.A.	0.488
						Editrice La Stampa S.p.A.	0.488
						Elasis-Società Consortile per Azioni	0.488
						Ingest Facility S.p.A.	0.488
						Fiat Partecipazioni S.p.A.	0.426
						H.R. Services S.p.A.	0.373
						Case New Holland Italia s.p.a.	0.288
						Astra Veicoli Industriali S.p.A.	0.213
						Atlanet S.p.A.	0.213
						Fiat Information & Communication Services S.l	0.213
						Magneti Marelli Holding S.p.A.	0.213
						Savarent Società per Azioni	0.213
						Servizi e Attività Doganali per l'Industria S.p.A.	0.213
						CNH Movimento Terra S.p.A.	0.207
						Midas Italia S.p.A.	0.126
						Fiat-Revisione Interna e Ispettorato S.c.r.l.	0.121
						Iveco Mezzi Speciali S.p.A.	0.121
						Fiat Center Italia S.p.A.	0.089
						Isvor Knowledge System S.p.A.	0.089
						Business Solutions S.p.A.	0.078
						eSPIN S.p.A.	0.078
						Fast-Buyer S.p.A.	0.078
						Itedi-Italiana Edizioni S.p.A.	0.075
						Maserati S.p.A.	0.075
						Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	0.075
						Pharos S.r.l.	0.075
						Risk Management S.p.A.	0.075
						Sisport Fiat Società per Azioni-SF	0.075
						Cleantecno S.r.l.	0.038
						Delivery & Mail S.r.l.	0.038
						Easy Drive S.r.l. a S.U.	0.038
						Fiat International S.p.A.	0.038
						Global Value S.p.A.	0.038
						Iveco Finanziaria S.p.A.	0.038
						Palazzo Grassi S.p.A.	0.038
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat United Kingdom Limited	100.000
Fiat Oriente S.A.E. in liq.	The Cairo	Egypt	50,000	EGP	100.00	Fiat S.p.A.	100.000
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998
Immobilier 92 SAS	Paris	France	38,115	EUR	100.00	Fiat France S.A.	100.000
ISVOR DILTS Leadership Systems Inc.	Burlingame	U.S.A.	1,000	USD	48.67	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	51.000
Isvor Fiat India Private Ltd. in liq.	New Delhi	India	1,750,000	INR	95.43	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000
Komdix SAS	Paris	France	40,000	EUR	100.00	Fiat France S.A.	100.000
Luto Servizi S.A. in liquidazione	Lugano	Switzerland	100,000	CHF	100.00	BUC - Banca Unione di Credito	100.000
New Business Sei S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Nuova Immobiliare Cinque S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Nuova Immobiliare Quattro S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Nuova Immobiliare Tre S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000
Nuove Iniziative Finanziarie 3 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	Turin	Italy	26,342	EUR	95.62	Fiat S.p.A.	82.010
						Editrice La Stampa S.p.A.	2.000
						Fiat Auto S.p.A.	2.000
						Case New Holland Italia s.p.a.	1.000
						Comau S.p.A.	1.000
						Fiat Gesco S.p.A.	1.000
						Fiat Ge.Va. S.p.A.	1.000
						Fiat Partecipazioni S.p.A.	1.000
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	1.000
						Iveco S.p.A.	1.000
						Magneti Marelli Holding S.p.A.	1.000
						Palazzo Grassi S.p.A.	1.000
						Sisport Fiat Società per Azioni-SF	1.000
Overseas Union Bank and Trust (Bahamas) Ltd. in liq.	Nassau	Bahamas	5,000,000	USD	100.00	BUC - Banca Unione di Credito	100.000
Sacafet in liq.	Addis Abeba	Ethiopia	2,000,000	ETB	100.00	IHF-Internazionale Holding Fiat S.A.	100.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
<b>Associated companies valued by the equity method</b>							
<b>Automobiles</b>							
Fiat-GM Powertrain B.V.	Amsterdam	Netherlands	232,000	EUR	45.00	Fiat Auto Holdings B.V.	50.000
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000	EUR	45.00	Fiat Auto S.p.A.	50.000
Fidis Retail Italia S.p.A.	Turin	Italy	672,076,000	EUR	44.10	Fiat Auto S.p.A.	49.000
GM-Fiat Worldwide Purchasing B.V.	Amsterdam	Netherlands	300,000	EUR	45.00	Fiat Auto Holdings B.V.	50.000
IN ACTION S.r.l.	Arese	Italy	336,000	EUR	44.91	Fidis S.p.A.	49.900
Jiangsu Nanya Auto Co. Ltd.	Nanjing	People's Rep. of China	1,409,469,782	CNY	45.00	Fiat Auto S.p.A.	50.000
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000	EUR	17.10	Fiat Auto S.p.A.	19.000
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	45.00	Fiat Auto S.p.A.	50.000
Société Européenne de Vehicules Legers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	45.00	Fiat Auto (France) S.A.	50.000
Somaca-Société Marocaine Construction Automobiles S.A.	Casablanca	Morocco	60,000,000	MAD	18.00	Fiat Auto S.p.A.	20.000
Targa Trafficmaster S.p.A.	Turin	Italy	8,340,000	EUR	45.00	Fidis S.p.A.	50.000
Targasys S.r.l.	Turin	Italy	10,400,000	EUR	45.00	Fidis S.p.A.	50.000
Tofas-Türk Otomobil Fabrikası Tofas A.S.	Levent	Turkey	450,000,000,000,000	TRL	34.07	Fiat Auto S.p.A.	37.856
Toro Targa Assicurazioni S.p.A.	Turin	Italy	46,126,000	EUR	44.10	Fiat Auto S.p.A.	49.000
<b>Agricultural and Construction equipment</b>							
Al-Ghazi Tractors Ltd	Karachi	Pakistan	195,165,660	PKR	36.75	CNH Global N.V.	43.170
CNH Capital Europe S.A.S.	Puteaux	France	72,480,297	EUR	42.48	CNH Global N.V.	49.900
Consolidated Diesel Name	Whitakers	U.S.A.	100	USD	42.57	CNH Engine Corporation	50.000
Employers Health Initiatives LLC	Wilmington	U.S.A.	0	USD	42.57	New Holland North America Inc.	50.000
GQM Products LLC	Wilmington	U.S.A.	0	USD	42.57	Case LLC	50.000
Kobelco Construction Machinery Co. Ltd.	Hiroshima	Japan	320,000,000,000	JPY	17.03	Case New Holland Italia s.p.a.	20.000
LBX Name LLC	Wilmington	U.S.A.	0	USD	42.57	Case LBX Holdings Inc.	50.000
L&T Case Equipment Limited	Mumbai	India	180,100,000	INR	42.57	Case LLC	50.000
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	34.05	Case LLC	40.000
New Holland de Mexico SA de CV	Queretaro	Mexico	24,000,000	MXN	42.57	CNH Global N.V.	50.000
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,000	GBP	41.72	CNH Global N.V.	49.000
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	42.57	CNH Global N.V.	50.000
New Holland Trakmak Traktor A.S.	Izmir	Turkey	525,000,000,000	TRL	31.93	CNH Global N.V.	37.500
Rathell Farm Equipment Name Inc.	Wilmington	U.S.A.	640,000	USD	36.83	New Holland North America Inc.	43.266
Sip-Mot S.A.	Zamosc	Poland	4,000,000	PLN	18.64	CNH Polska Sp. z o.o.	21.890
Türk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	24,000,000,000,000	TRL	31.93	CNH Global N.V.	37.500
<b>Commercial Vehicles</b>							
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	40.00	Iveco International Trade Finance S.A.	40.000
GEIE V.IV.RE	Boulogne	France	2	EUR	50.00	Iveco S.p.A.	50.000
Haveco Automotive Transmission Co. Ltd.	Zhajiagang	People's Rep. of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.333
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUR	33.33	Iveco S.p.A.	33.330
Machen-Iveco Holding S.A.	Luxembourg	Luxembourg	26,000,000	GBP	30.00	Iveco S.p.A.	30.000
Naveco Ltd.	Nanjing	People's Rep. of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000
Otoyol Pazarlama A.S.	Kartal/Istanbul	Turkey	1,590,000,000,000	TRL	27.00	Iveco S.p.A.	27.000
Otoyol Sanayi A.S.	Kartal/Istanbul	Turkey	30,000,000,000,000	TRL	27.00	Iveco S.p.A.	27.000
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	2	EUR	50.00	Iveco S.p.A.	50.000
<b>Components</b>							
Mako Elektrik Sanay Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000,000,000	TRL	43.00	Magneti Marelli Holding S.p.A.	43.000
<b>Production Systems</b>							
Gerbi & Sciaky s.a.s.	Bonneuil Sur Marne	France	50,000	EUR	44.89	Comau Sciaky S.A.	45.000
Gonzales 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
<b>Metallurgical Products</b>							
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep. of China	307,100,000	CNY	40.24	Teksid S.p.A.	50.000
Nanjing Teksid Iron Foundry Co. Ltd.	Nanjing	People's Rep. of China	199,617,600	CNY	40.24	Teksid S.p.A.	50.000
<b>Services</b>							
Global Value Services S.p.A.	Turin	Italy	10,730,000	EUR	50.00	Business Solutions S.p.A.	50.000
Global Value Soluções Ltda	Nova Lima	Brazil	2,000	BRL	50.00	Business Solutions do Brasil Ltda	50.000
Global Value Solutions S.p.A.	Turin	Italy	270,000	EUR	50.00	Business Solutions S.p.A.	50.000
Servicos Titoli S.r.l.	Turin	Italy	105,000	EUR	27.24	Business Solutions S.p.A.	27.238
S.I.NO.DO - Sistema Informativo Normativa Doganale in Turin	Turin	Italy	77,469	EUR	50.00	Servizi e Attività Doganali per l'Industria S.p.A.	50.000
<b>Publishing and Communications</b>							
Edititalia S.r.l.	Caserta	Italy	2,868,918	EUR	45.00	Editrice La Stampa S.p.A.	45.000
Editoriale Corriere Romagna S.r.l.	Forli	Italy	2,856,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000
Edizioni Dost S.r.l.	Bologna	Italy	1,042,914	EUR	40.00	Editrice La Stampa S.p.A.	40.000
Società Editrice Mercantile S.r.l.	Genoa	Italy	4,247,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of % interest voting held rights
<b>Miscellaneous and Holding companies</b>							
IPI S.p.A.	Turin	Italy	40,784,134	EUR	10.00	Fiat Partecipazioni S.p.A.	10.000
Italenergia Bis S.p.A.	Turin	Italy	906,624,000	EUR	24.61	Fiat Energia S.r.l.	24.613
Livingstone Motor Assemblers Ltd.	Livingstone	Zambia	20,000,000	ZMK	20.00	Fiat Partecipazioni S.p.A.	20.000
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	761,709,000	EUR	9.80	Fiat Partecipazioni S.p.A.	9.801 10.194
Rubattino 87 S.r.l.	Milan	Italy	10,845,400	EUR	30.59	Fiat Partecipazioni S.p.A.	30.589



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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
<b>Associated companies valued at cost</b>							
<b>Automobiles</b>							
Car City Club S.r.l.	Turin	Italy	110,000	EUR	29.70	Savarent Società per Azioni	33.000
Consorzio per la Reindustrializzazione dell'area di Arese S.c.r.l.	Arese	Italy	1,020,000	EUR	27.00	Fiat Auto S.p.A.	30.000
Fabrication Automobiles de Tiaret SpA	Wilaya de Tiaret	Algeria	1,225,000,000	DZD	32.91	Fiat Auto S.p.A.	36.571
G.E.I.E.-Gisevel	Paris	France	15,200	EUR	45.00	Fiat Auto (France) S.A.	50.000
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	45.00	Fiat Auto (France) S.A.	50.000
N. Technology S.p.A.	Chivasso	Italy	1,500,000	EUR	18.00	Fiat Auto S.p.A.	20.000
<b>Commercial Vehicles</b>							
Atlas Vehicules Industriels S.A.	Casablanca	Morocco	2,200,000	MAD	48.97	Iveco S.p.A.	48.968
CBC-Iveco Ltd.	Changzhou	People's Rep. of China	664,000,000	CNY	50.00	Iveco S.p.A.	50.000
Consorzio Iveco Fiat-Oto Melara	Rome	Italy	51,646	EUR	50.00	Iveco S.p.A.	50.000
Elettronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.)	Turin	Italy	109,200	EUR	50.00	Iveco S.p.A.	50.000
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000	XAF	39.80	Irisbus France S.A.	39.800
Zastava-Kamioni D.O.O.	Kragujevac	Yugoslavia	1,673,505,893	YUM	33.68	Iveco S.p.A.	33.677
<b>Ferrari and Maserati</b>							
GPWC Holdings B.V.	Amsterdam	Netherlands	2,500,000	EUR	11.20	Ferrari S.p.A.	20.000
<b>Components</b>							
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli Holding S.p.A.	25.000
Gulf Carrosserie India Limited	Worli	India	5,000,000	INR	20.00	Magneti Marelli Holding S.p.A.	20.000
Mars Seal Private Limited	Mumbai	India	400,000	INR	23.97	Magneti Marelli France S.A.	24.000
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	855,000,000,000	TRL	28.00	Magneti Marelli Holding S.p.A.	28.000
M.I.P.-Master Imprese Politecnico	Milan	Italy	20,658	EUR	50.00	Magneti Marelli Holding S.p.A.	50.000
Parades GEIE	Milan	Italy	216,900	EUR	33.33	Magneti Marelli Powertrain S.p.A.	33.330
<b>Production Systems</b>							
Consorzio Fermag	Rome	Italy	144,608	EUR	40.00	Comau S.p.A.	40.000
Consorzio Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	15,494	EUR	33.33	Comau S.p.A.	33.333
<b>Metallurgical Products</b>							
S.A.S.-Società Assofond Servizi S.r.l.	Trezzano sul Naviglio	Italy	520,000	EUR	16.10	Teksid S.p.A.	20.000
Servicios Industriales Parque Fundidores S.de r.l. de C.V.	Sao Pedro	Mexico	10,000	MXN	20.12	Teksid Hierro de Mexico S.A. de C.V.	33.330
<b>Services</b>							
C.I.S.A. Consorzio per Impiantistica e Servizi Aerospaziali	Naples	Italy	103,291	EUR	34.00	Fiat Engineering S.p.A.	34.000
Coberga S.c.r.l. in liq.	Imola	Italy	10,329	EUR	37.51	Fiat Engineering S.p.A.	37.506
Consorzio Brescia Val	Sesto S. Giovanni	Italy	25,000	EUR	30.00	Fiat Engineering S.p.A.	30.000
Consorzio CO.RI.R.E. in liq.	Brindisi	Italy	51,646	EUR	20.00	Fiat Engineering S.p.A.	20.000
Consorzio "Dinamicity"	Milan	Italy	25,000	EUR	33.00	Fiat Engineering S.p.A.	33.000
Consorzio per il Barocco in liq.	Rome	Italy	154,937	EUR	24.50	Fiat Engineering S.p.A.	24.500
Feic-Consorzio Imprese Lavori FFSS di Saline	Misterbianco	Italy	15,494	EUR	33.34	Fiat Engineering S.p.A.	33.335
Niugarit,Promocao e Desenvolvimento de Actividades Industriais em Cooperacao Ltda	Lisbon	Portugal	49,880	EUR	29.97	Fast-Buyer S.p.A.	30.000
Palavelsa Società Consortile a Responsabilità Limitata	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000
Parco Grande S.c.r.l.	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000
Piacenza 800	Turin	Italy	100,000	EUR	50.00	Fiat Engineering S.p.A.	50.000
Ravizza S.c.r.l.	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.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
Uffici Finanziari 2000 S.c.r.l.	Turin	Italy	10,200	EUR	40.00	Fiat Engineering S.p.A.	40.000
<b>Miscellaneous and Holding companies</b>							
Agenzia Internazionalizzazione Imprese Torino S.r.l. in l.	Turin	Italy	102,000	EUR	35.00	Fiat Partecipazioni S.p.A.	35.000
Alcmena S.a.r.l.	Luxembourg	Luxembourg	5,000,000	EUR	20.00	BUC - Banca Unione di Credito	20.000
Ciosa S.p.A. in liq.	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000
Concordia Finance S.A.	Luxembourg	Luxembourg	12,900,000	EUR	30.00	Fiat Netherlands Holding N.V.	30.000
CONFORM - Consorzio Formazione Manageriale	Avellino	Italy	51,600	EUR	46.22	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Isvor Knowledge System S.p.A.	35.000 13.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
Consorzio Fiat Media Center	Turin	Italy	214,330	EUR	41.51	Astra Veicoli Industriali S.p.A.	1.667
						Atlanet S.p.A.	1.667
						Business Solutions S.p.A.	1.667
						Case New Holland Italia s.p.a.	1.667
						Comau S.p.A.	1.667
						Editrice La Stampa S.p.A.	1.667
						eSPIN S.p.A.	1.667
						Fast-Buyer S.p.A.	1.667
						Fiat Auto S.p.A.	1.667
						Fiat Center Italia S.p.A.	1.667
						Fiat Gesco S.p.A.	1.667
						Fiat Information & Communication Services S.r.l.	1.667
						Fiat S.p.A.	1.667
						Global Value S.p.A.	1.667
						Irisbus Italia S.p.A.	1.667
						Itedi-Italiana Edizioni S.p.A.	1.667
						Iveco S.p.A.	1.667
						Leasys S.p.A.	1.667
						Magneti Marelli After Market S.p.A.	1.667
						Maserati S.p.A.	1.667
						Midas Italia S.p.A.	1.667
						MotorMust.com S.p.A. in liq.	1.667
						Palazzo Grassi S.p.A.	1.667
Pharos S.r.l.	1.667						
Savarent Società per Azioni	1.667						
Targa Automotive S.p.A.	1.667						
WorkNet società di fornitura di lavoro temporaneo-per azioni	1.667						
Consorzio Oto-BPD in liq.	Aulla	Italy	103,291	EUR	50.00	Fiat Partecipazioni S.p.A.	50.000
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	23.10	Fiat Partecipazioni S.p.A.	23.100
Consorzio per lo Sviluppo delle Aziende Fornitrici	Turin	Italy	250,741	EUR	28.34	Case New Holland Italia s.p.a.	10.299
						Fiat Auto S.p.A.	10.299
						Iveco S.p.A.	10.299
Consorzio Prode	Naples	Italy	51,644	EUR	45.59	Elasis-Società Consortile per Azioni	50.000
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	45.59	Elasis-Società Consortile per Azioni	50.000
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II	Naples	Italy	127,500	EUR	18.23	Elasis-Società Consortile per Azioni	20.000
Expo 2000 - S.p.A.	Turin	Italy	2,828,750	EUR	24.50	Fiat Partecipazioni S.p.A.	24.498
FMA-Consuloria e Negocios Ltda	Sao Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000
Giraglia Immobiliare S.p.A.	Milan	Italy	3,500,000	EUR	28.24	Fiat Partecipazioni S.p.A.	28.240
Interfinanziaria S.A.	Paradiso	Switzerland	1,000,000	CHF	33.33	IHF-Internazionale Holding Fiat S.A.	33.330
Italimpianti S.p.A.	Milan	Italy	5,356,000	EUR	41.76	Fiat Partecipazioni S.p.A.	41.760
Italpark-Società per Infrastrutture Ausiliarie di Trasporti S.p.A. in liq.	Rome	Italy	247,899	EUR	29.00	Fiat Partecipazioni S.p.A.	29.000
Le Monde Europe S.A.	Paris	France	3,658,800	EUR	32.00	La Stampa Europe SAS	32.000
Le Monde Presse S.A.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277
Lombard Bank Malta PLC	Valletta	Malta	1,980,000	MTL	26.85	BUC - Banca Unione di Credito	26.845
MB Venture Capital Fund I N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000
Motorcity Park S.r.l.	Milan	Italy	3,112,463	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	19.61	Ferrari S.p.A.	16.364
						Case New Holland Italia s.p.a.	12.273
Presse Europe Regions S.A.	Paris	France	62,087,232	EUR	25.28	La Stampa Europe SAS	25.280
QSF Qualità Servizi Formazione GEIE	Turin	Italy	10,329	EUR	23.86	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.000
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	23.46	C.R.F. Società Consortile per Azioni	25.000
Zetesis S.p.A.	Milan	Italy	398,000	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000

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

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest voting held rights
<b>Other companies valued at cost</b>							
<b>Agricultural and Construction equipment</b>							
Lubelska Fabryka Maszyn Rolniczych S.A.	Lublin	Poland	13,000,000	PLN	15.72	CNH Polska Sp. z o.o.	18.460
Plast-Form Sp. z o.o.	Lublin	Poland	2,090,000	PLN	10.18	CNH Polska Sp. z o.o.	11.962
Polagris S.A.	Pikieliszkai	Lithuania	1,133,400	LTT	9.41	CNH Polska Sp. z o.o.	11.054
<b>Commercial Vehicles</b>							
Consorzio Bolzano Energia	Bolzano	Italy	12,000	EUR	16.67	Iveco S.p.A.	16.667
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000
Trucks & Bus Name	Tajoura	Libya	87,000,000	LYD	17.24	Iveco Pegaso S.L.	17.241
<b>Components</b>							
Consorzio U.L.I.S.S.E.	Rome	Italy	227,241	EUR	11.36	Magneti Marelli Holding S.p.A.	11.360
<b>Services</b>							
Byte Software House - S.p.A.	Turin	Italy	4,215,000	EUR	17.79	Business Solutions S.p.A.	17.794
H.R.O. Polska Sp. z o.o.	Bielsko-Biala	Poland	400,000	PLN	18.00	Business Solutions Polska Sp. z o.o.	18.000
Metrofiera S.c. a r.l.	Milan	Italy	10,000	EUR	15.00	Fiat Engineering S.p.A.	15.000
<b>Miscellaneous and Holding companies</b>							
Ascal Servizi S.r.l.	Rome	Italy	73,337	EUR	13.44	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	14.085
Consorzio Sorore	Siena	Italy	9,296	EUR	16.66	Fiat Partecipazioni S.p.A.	16.663
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.13	Elasis-Società Consortile per Azioni	11.110
Ercote Marelli e C. S.p.A.	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285
Gas Turbine Technologies S.p.A.	Turin	Italy	5,000,000	EUR	15.00	Fiat Partecipazioni S.p.A.	15.000
I.M. Intermetro S.p.A.	Rome	Italy	2,461,320	EUR	12.50	Fiat Partecipazioni S.p.A.	12.500
IRCC-Istituto per la Ricerca e la Cura del Cancro-Torino S.p.A.	Turin	Italy	15,500,000	EUR	19.36	Fiat S.p.A.	19.355
Istituto Europeo di Oncologia S.r.l.	Milan	Italy	106,500,000	EUR	10.90	Fiat S.p.A.	10.903
Kish Receivables Name	Dublin	Ireland	123,451,123	EUR	1.49	Celt Receivables Limited	1.485 16.248
Selvi & Cie S.A.	Geneva	Switzerland	2,400,000	CHF	16.67	BUC - Banca Unione di Credito	16.666
Société Anonyme Technique Immobilière et Financière de la Sadim (S.A.T.I.F.)	Monaco	Princ. of Monaco	750,000	EUR	12.60	Fiat Partecipazioni S.p.A.	12.600

## INVESTMENTS HELD THROUGH WORMS & Cie S.A. (53.074% of Group consolidation)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
<b>COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS</b>							
<b>Paper</b>							
AGENA N.V.	BELGIUM	62,000.00	EUR	100.00	ARJO WIGGINS PAPIERS COUCHES SAS	99.200	99.200
ANTALIS A.B.	SWEDEN	1,000,000.00	SEK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS AG	SWITZERLAND	3,000,000.00	CHF	100.00	ANTALIS SWITZERLAND AG	100.000	100.000
ANTALIS A/S	DENMARK	2,000,000.00	DKK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS AS	LATVIA	533,900.00	LVL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS BOLIVIA SRL	BOLIVIA	2,775,000.00	BOB	74.01	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS BV	NETHERLANDS	5,100,000.00	NLG	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS ENVELOPES LIMITED	UNITED KINGDOM	1.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
ANTALIS ENVELOPES NV (in liquidation)	BELGIUM	62,000.00	EUR	100.00	ANTALIS NV/SA	99.900	99.900
					ANTALIS INTERNATIONAL HOLDINGS BV	0.100	0.100
ANTALIS ENVELOPES MANUFACTURING, S.L.	SPAIN	2,815,988.40	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS EUROPE HOLDINGS LIMITED	UNITED KINGDOM	205,433,649.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS GMBH	GERMANY	4,725,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS GROUP HOLDINGS LIMITED	UNITED KINGDOM	200,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP LIMITED	UNITED KINGDOM	155,000,000.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	33.600	100.000
		500,000,000.00	EUR		ARJO WIGGINS APPLETON LIMITED	66.400	0.000
ANTALIS HOLDINGS LIMITED	UNITED KINGDOM	69,984,107.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
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 IBERIA SA	SPAIN	9,407,866.37	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS INTERNATIONAL HOLDINGS BV	NETHERLANDS	21,500.00	EUR	100.00	ANTALIS EUROPE HOLDINGS LIMITED	100.000	100.000
					WORMS & CIE S.A. A DIRECTOIRE ET CONS.		
ANTALIS INTERNATIONAL SAS	FRANCE	306,880,573.00	EUR	100.00	SURVEILLANCE	100.000	100.000
ANTALIS INTERSERVICES NV/SA	BELGIUM	99,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					ANTALIS INTERNATIONAL HOLDINGS BV	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 LIMITED	UNITED KINGDOM	71,346,866.00	GBP	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
ANTALIS OFFICE SUPPLIES, S.L.	SPAIN	11,129,914.16	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS OVERSEAS HOLDINGS LIMITED	UNITED KINGDOM	1,150,000.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS OY	FINLAND	1,918,600.00	FIM	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PAPER UAB	LITHUANIA	4,000,000.00	LTL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PERU SA	PERU	7,779,600.00	SOL	74.01	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS POLAND SPOLKA Z.O.O.	POLAND	2,011,600.00	PLN	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS BV	NETHERLANDS	2,000,000.00	NLG	100.00	MUEHLEBACH B.V.	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS GMBH	GERMANY	12,525,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS (HONG-KONG) LIMITED	HONG KONG	100.00	HKD	100.00	ANTALIS INTERNATIONAL SAS	99.000	99.000
ANTALIS PROMOTIONAL PRODUCTS S.L. SU	SPAIN	26,913,010.00	EUR	100.00	ANTALIS IBERIA SA	81.410	81.410
					MUEHLEBACH BV	18.590	18.590
ANTALIS PROMOTIONAL PRODUCTS SNC	FRANCE	305.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	95.000	95.000
					ANTALIS PURCHASING SASU	5.000	5.000
ANTALIS (PROPRIETARY) LIMITED	SOUTH AFRICA	1,000.00	ZAR	100.00	ANTALIS SA HOLDINGS LIMITED	100.000	100.000
ANTALIS PURCHASING SASU	FRANCE	40,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS NV/SA	BELGIUM	64,004.00	BEF	100.00	ARJO WIGGINS BELGIUM S.A.	0.002	0.002
					ANTALIS INTERNATIONAL HOLDINGS BV	99.995	99.995
ANTALIS SA	ROMENIA	2,400,000,000.00	ROL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS SA HOLDINGS LIMITED	UNITED KINGDOM	1,000.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS SNC	FRANCE	22,479,066.00	EUR	100.00	ANTALIS PURCHASING SASU	0.000	0.000
					ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS SPA	ITALY	33,677,663.76	EUR	99.00	ANTALIS EUROPE HOLDINGS LIMITED	0.000	0.000
					ANTALIS INTERNATIONAL HOLDINGS BV	98.995	98.995
ANTALIS SWITZERLAND AG	SWITZERLAND	10,000,000.00	CHF	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS (THAILAND) LIMITED	THAILAND	30,000,000.00	THB	84.00	ANTALIS OVERSEAS HOLDINGS LIMITED	80.000	80.000
					SHRIRO PACIFIC PAPER (SINGAPORE) PTE LTD	9.999	9.999
ANTHALO SRL	ITALY	30,000.00	EUR	50.00	CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL	50.000	50.000
AS ANTALIS	ESTHONIA	5,700,000.00	EEL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
APPLETON COATED LLC	USA	100.00	USD	100.00	APPLETON COATED PAPER HOLDINGS INC.	100.000	100.000
APPLETON COATED PAPERS HOLDINGS INC.	USA	1,445.00	USD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	100.000	100.000
APPLETON LEASING L.L.C.	USA	1,000.00	USD	100.00	APPLETON COATED LLC.	100.000	100.000
ARJOWIGGINS CANSON SAS	FRANCE	5,356,213.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJOWIGGINS RIVES SAS	FRANCE	30,000,000.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
ARJO WIGGINS APPLETON (BERMUDA) LIMITED	BERMUDA	61,020.00	USD	100.00	ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	80.302	89.955
ARJO WIGGINS APPLETON GROUP SERVICES SAS	FRANCE	500,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS APPLETON HOLDINGS LIMITED	UNITED KINGDOM	150,000,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
ARJO WIGGINS APPLETON INSURANCE LIMITED	GUERNSEY	2,000,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
					ARJO WIGGINS US HOLDINGS LIMITED	0.000	0.000
ARJO WIGGINS APPLETON LIMITED	UNITED KINGDOM	213,893,520.25	GBP	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS ARGENTINA S.A.	ARGENTINA	12,000.00	ARS	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	99.992	99.992
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	200,000.00	AUD	99.98	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	400,000.00	AUD	100.00	CANSON INTERNATIONAL SAS	91.500	91.500
					ARJO WIGGINS SAS	8.500	8.500

CONTINUES INVESTMENTS HELD THROUGH WORMS & Cie S.A. (53.074% of Group consolidation)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
ARJO WIGGINS BELGIUM HOLDINGS S.A.	BELGIUM	40,000.00	BEF	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	99.998	99.998
					ARJO WIGGINS EUROPE HOLDINGS LIMITED	0.002	0.002
ARJO WIGGINS BELGIUM S.A.	BELGIUM	500,000.00	BEF	99.99	ARJO WIGGINS BELGIUM HOLDINGS S.A.	99.990	99.990
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	BERMUDA	15,000.00	USD	100.00	ARJO WIGGINS APPLETON LIMITED	20.000	100.000
ARJO WIGGINS CANSON KK	JAPAN	20,000,000.00	JPY	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	UNITED KINGDOM	170,735,640.00	GBP	100.00	ARJO WIGGINS US HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS INTERNATIONA LTD	UNITED KINGDOM	75,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CASTING PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS CHINA HOLDINGS LIMITED	UNITED KINGDOM	100.00	GBP	100.00	LODI T2 SAS	100.000	100.000
ARJO WIGGINS CHINA LIMITED	PEOPLE'S REP. OF CHINA	1,000.00	HKD	90.00	ANTALIS (HONG KONG) LIMITED	90.000	90.000
ARJO WIGGINS DEUTSCHLAND GMBH	GERMANY	12,271,005.15	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS ERMSTAL GMBH & CO. KG	GERMANY	54,836,054.26	EUR	100.00	ARJO WIGGINS GERMANY HOLDINGS LIMITED	48.951	48.951
					ARJO WIGGINS SAS	51.049	51.049
ARJO WIGGINS ESPANA S.A.	SPAIN	60,200.00	EUR	99.95	ARJO WIGGINS BELGIUM S.A.	99.970	99.970
					WIGGINS TEAPE LIMITED	0.030	0.030
ARJO WIGGINS EUROPE HOLDINGS LIMITED	UNITED KINGDOM	761,500,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
ARJO WIGGINS FEINPAPIER GMBH	GERMANY	5,000,000.00	DEM	99.98	ARJO WIGGINS BELGIUM SA	100.000	100.000
ARJO WIGGINS FINE PAPERS EXPORT LIMITED	UNITED KINGDOM	25,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	UNITED KINGDOM	10,253,565.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS LIMITED	UNITED KINGDOM	25,010,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS PTY LTD	AUSTRALIA	2.00	AUD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	100.000	100.000
ARJO WIGGINS GERMANY HOLDINGS LIMITED	UNITED KINGDOM	25,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS ITALIA HOLDINGS S.R.L.	ITALY	2,275,000.00	EUR	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS LE BOURRAY SAS	FRANCE	1,351,577.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS LIMITED	UNITED KINGDOM	92,260,100.00	GBP	100.00	IDEM LIMITED	100.000	100.000
ARJO WIGGINS LIMITADA	BRAZIL	25,205,145.00	BRL	100.00	ARJO WIGGINS PARTICIPACOES LTDA	98.698	98.698
					CANSON INTERNATIONAL SAS	1.302	1.302
ARJO WIGGINS LYNX LTD	UNITED KINGDOM	3,000,000.00	GBP	100.00	ARJOWIGGINS CANSON SAS	32.800	32.800
					ARJO WIGGINS FINE PAPERS LTD	29.800	29.800
					ARJO WIGGINS PAPIERS COUCHES SAS	28.200	28.200
					GUARRO CASAS S.A.	9.200	9.200
					ARJOWIGGINS SAS	0.000	0.000
ARJO WIGGINS MEDICAL, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJO WIGGINS NC, LLC	USA	1.00	USD	100.00	MURO, INC.	100.000	100.000
ARJO WIGGINS NORTH AMERICA INVESTMENTS LIMITED	UNITED KINGDOM	434,615,387.00	GBP	100.00	ARJO WIGGINS APPLETON HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS PAPER PRODUCTS (BEIJING) CO. LTD.	PEOPLE'S REP. OF CHINA	300,000.00	USD	90.00	ARJO WIGGINS CHINA LIMITED	100.000	100.000
ARJO WIGGINS PAPER PRODUCTS (SHANGHAI) CO.LTD.	PEOPLE'S REP. OF CHINA	470,000.00	USD	90.00	ARJO WIGGINS CHINA LIMITED	100.000	100.000
ARJO WIGGINS PAPIERS COUCHES S.A.S.	FRANCE	87,916,250.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS PARTICIPACOES LTDA	BRAZIL	49,705,800.00	BRL	100.00	ARJO WIGGINS SECURITY SAS	100.000	100.000
ARJO WIGGINS SAS	FRANCE	165,920,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS S.P. ITALIA S.r.l.	ITALY	46,482.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS SARL	SWITZERLAND	200,000.00	CHF	100.00	ARJO WIGGINS SAS	0.500	0.500
					ARJO WIGGINS PAPIERS COUCHES SAS	99.500	99.500
ARJO WIGGINS SECURITY SAS	FRANCE	70,000,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS SPECIALTY HOLDINGS INC.	USA	5,000.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
ARJO WIGGINS SVENSKA AB	SWEDEN	100,000.00	SEK	99.98	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS UK HOLDINGS LIMITED	UNITED KINGDOM	206,000,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS US HOLDINGS LIMITED	UNITED KINGDOM	1,271,907,900.00	GBP	100.00	ARJO WIGGINS APPLETON HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS USA, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJOBEX AMERICA	USA	21,000,000.00	USD	100.00	MU.RO. INC.	51.000	51.000
					ARJO WIGGINS NC, LLC.	49.000	49.000
ARJOBEX LIMITED	UNITED KINGDOM	2,000,100.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOBEX SAS	FRANCE	1,029,280.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
AWA FINANCE LIMITED	UNITED KINGDOM	199,000,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
AWA QINGDAO PAPER CO., LTD.	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	30.49	EUR	90.00	ARJOWIGGINS CANSON SAS	90.000	90.000
BERNARD DUMAS S.A.S.	FRANCE	686,070.00	EUR	99.92	GUARRO CASAS S.A.	100.000	100.000
CANSON & MONTGOLFIER (DEUTSCHLAND) GMBH	GERMANY	512,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INTERNATIONAL SAS	FRANCE	76,250.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
CANSON ITALIA S.P.A.	ITALY	312,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	95.000	95.000
					ARJOWIGGINS CANSON SAS	5.000	5.000
CANSON POLSKA SP.Z.O.O.	POLAND	63,300.00	PLN	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INC.	USA	1,560.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL (EXPO EUROPA)	ITALY	500,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
CLASS PAPIER B.V.	NETHERLANDS	40,000.00	NLG	100.00	ARJO WIGGINS PAPIERS COUCHES SAS	100.000	100.000
COMERCIAL MANANTIALES LIMITADA	CHILE	100,000.00	CLP	74.01	INVERSIONES GMS SA	99.999	99.999
					GMS PRODUCTOS GRAFICOS LIMITADA	0.001	0.001

CONTINUES INVESTMENTS HELD THROUGH WORMS & Cie S.A. (53.074% of Group consolidation)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
COPIGRAPH GMBH (in liquidation)	GERMANY	1,001,000.00	DEM	100.00	COPIGRAPH S.A. GUERIMAND SAS	97.692 2.308	97.692 2.308
COPIGRAPH S.A.	FRANCE	6,300,000.00	EUR	100.00	GUERIMAND SAS	99.999	99.999
CREA PAPIER GMBH	GERMANY	26,000.00	EUR	100.00	ARJO WIGGINS PAPIERS COUCHES SAS	100.000	100.000
DISTRIBUIDORA OFIMARKETS SA	CHILE	57,614.00	CLP	74.00	INVERSIONES GMS SA	100.000	100.000
DOWNMAN INVESTMENTS LIMITED	CYPRUS	11,750,000.00	DEM	60.00	ANTALIS INTERNATIONAL HOLDINGS BV	60.000	60.000
ESM PAPER LIMITED	IRELAND	120,625.11	EUR	100.00	ANTALIS IRELAND LIMITED WIGGINS TEAPE IRELAND LIMITED	99.999 0.001	99.999 0.001
ESPECIALIDADES DEL PAPEL DE COLOMBIA LTDA (ESPACOL LTDA)	COLOMBIA	608,003,000.00	COP	99.92	TORDERA S.A.	100.000	100.000
EUROFRONTEIRA - COMERCIO, DISTRIBUICAO E SERVICOS S.A.	PORTUGAL	50,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
EUROPEAN PRINTED PRODUCTS S.A.S. (E2P)	FRANCE	6,100,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
FAIRPRINT BV	NETHERLANDS	40,000.00	NLG	100.00	ANTALIS PROMOTIONAL PRODUCTS BV	100.000	100.000
FIRMO - PAPEIS E PAPELARIA, S.A.	PORTUGAL	4,990,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	BOTSWANA	80,000.00	BWP	100.00	ANTALIS SA HOLDINGS LIMITED	99.999	99.999
FRESER S.L.	SPAIN	3,006.00	EUR	99.92	GUARRO CASAS S.A.	100.000	100.000
FYNE PAPERS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
GMS DISTRIBUIDORA GRAFICA SA	CHILE	100.00	CLP	74.01	INVERSIONES GMS SA COMERCIAL MANANTIALES LIMITADA	99.000 1.000	99.000 1.000
GMS PRODUCTOS GRAFICOS LIMITADA	CHILE	100.00	CLP	74.01	COMERCIAL MANANTIALES LIMITADA INVERSIONES GMS SA	86.000 14.000	86.000 14.000
GUARRO CASAS FRANCE SARL	FRANCE	8,000.00	EUR	100.00	GUARRO CASAS S.A.	100.000	100.000
GUARRO CASAS S.A.	SPAIN	6,600,000.00	EUR	99.92	GUARRO CASAS S.A. (*) ARJOWIGGINS CANSON SAS	1.972 97.958	1.972 97.958
GUERIMAND SAS	FRANCE	11,900,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
HARDWARE SOFTWARE ENGINEERING SRL	ITALY	20,000,000.00	ITL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
L PAPER LIMITED	UNITED KINGDOM	5,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
IDEM LIMITED	UNITED KINGDOM	92,250,002.00	GBP	100.00	ARJO WIGGINS BELGIUM HOLDINGS S.A. ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	81.301 18.699	81.301 18.699
INTERPAPEL S.A.	MEXICO	50,000.00	MXP	99.92	TORDERA S.A.	100.000	100.000
INVERSIONES ANTALIS HOLDINGS LIMITADA	CHILE	7,929,875,000.00	CLP	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED ANTALIS INTERNATIONAL HOLDINGS BV	34.048 65.952	34.048 65.952
INVERSIONES ANTALIS LIMITADA	CHILE	8,370,000,000.00	CLP	100.00	INVERSIONES ANTALIS HOLDINGS LIMITADA WIGGINS TEAPE LIMITED	100.000 0.000	100.000 0.000
INVERSIONES EXTERIOR SA	CHILE	2,899,379,784.00	CLP	74.01	INVERSIONES ANTALIS LIMITADA	74.000	74.000
INVERSIONES GMS SA	CHILE	10,200.00	CLP	74.01	INVERSIONES ANTALIS LIMITADA	74.000	74.000
INVERSIONES LOS PELLINES DOS SA	CHILE	1,020,183,600.00	CLP	74.01	INVERSIONES ANTALIS LIMITADA	74.000	74.000
JAMICE SAS	FRANCE	38,125.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
LODI 12 SAS	FRANCE	38,112.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
MU.RO. INC.	USA	5,000.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
MUEHLEBACH B.V.	NETHERLANDS	45,378.02	EUR	100.00	ANTALIS SWITZERLAND AG	100.000	100.000
NEWICK - COMERCIO, IMPORTACAO E EXPORTACAO, S.A.	PORTUGAL	50,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
NEWTON FALLS LLC	USA	1.00	USD	100.00	APPLETON COATED LLC	100.000	100.000
PAPER PEOPLE LIMITED	UNITED KINGDOM	4,100.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
PERFORMANCE PAPERS LIMITED	UNITED KINGDOM	550,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
PRIPLAK SAS	FRANCE	323,554.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
PROTALIS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
QINGDAO ARJO WIGGINS PAPER CO., LTD.	PEOPLE'S REP. OF CHINA	1,176,000.00	USD	100.00	LODI 12 SAS ARJO WIGGINS CHINA HOLDINGS LIMITED	50.000 50.000	50.000 50.000
QUAIFE PAPER LIMITED	UNITED KINGDOM	2,026,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
RTC HOLDING S.A.	ROMENIA	43,280,889,000.00	ROL	60.00	DOWNMAN INVESTMENTS LIMITED	100.000	100.000
SARNIA (PTY) LIMITED	BOTSWANA	1,345,625.00	BWP	100.00	FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	92.569	92.569
SIMGE ANTALIS KAGIT SANAYI VE TICARET AS	TURKEY	7,872,000,000.00	TLR	51.00	ANTALIS INTERNATIONAL HOLDINGS BV	51.000	51.000
SITTER S.N.C.	FRANCE	160,000.00	EUR	100.00	ANTALIS SNC ANTALIS INTERNATIONAL SAS	0.300 99.700	0.300 99.700
SMOZA A.S.	SLOVAK REP.	2,000,000.00	SKK	78.65	SMOZA SPOL. S.R.O. ANTALIS INTERNATIONAL HOLDINGS BV	61.000 39.000	61.000 39.000
SMOZA SPOL. S.R.O.	CZECH REP.	62,200,000.00	CZK	65.00	ANTALIS INTERNATIONAL HOLDINGS BV	65.000	65.000
SOCIEDAD COMERCIALIZADORA DE PAPELES ESPACHILE LTDA	CHILE	16,995,300.00	CLP	99.92	TORDERA S.A.	100.000	100.000
SZOLAMIL RT.	HUNGARY	490,000,000.00	HUF	100.00	ANTALIS EUROPE HOLDINGS LIMITED	100.000	100.000
THE WIGGINS TEAPE GROUP LIMITED	UNITED KINGDOM	282,500,000.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
TORDERA S.A.	PANAMA	97,000.00	USD	99.92	GUARRO CASAS S.A.	100.000	100.000
VEILIGHEIDSPAPIERFABRIEK UGCHELEN	NETHERLANDS	6,806,703.24	EUR	100.00	ARJO WIGGINS SECURITY SAS	100.000	100.000
WIGGINS TEAPE IRELAND (EXPORT) LIMITED	IRELAND	126,973.80	EUR	100.00	ANTALIS IRELAND LIMITED WIGGINS TEAPE LIMITED	99.999 0.001	99.999 0.001
WIGGINS TEAPE IRELAND (SALES) LIMITED	IRELAND	1,361,490.54	EUR	100.00	ANTALIS IRELAND LIMITED WIGGINS TEAPE IRELAND LIMITED	100.000 0.000	100.000 0.000
WIGGINS TEAPE IRELAND LIMITED	IRELAND	1,214,402.82	EUR	100.00	ANTALIS IRELAND LIMITED WIGGINS TEAPE IRELAND (SALES) LIMITED	100.000 0.000	100.000 0.000
WIGGINS TEAPE LIMITED	UNITED KINGDOM	21,300,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WILLOW PAPER COMPANY LIMITED	UNITED KINGDOM	16,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WITCEL S.A.	ARGENTINA	1,901,200.00	USD	100.00	ARJO WIGGINS SECURITY SAS	100.000	100.000
WORKWELL LIMITED	HONG KONG	10,000.00	HKD	100.00	ANTALIS (HONG KONG) LIMITED	100.000	100.000

(\*) voting suspended.

CONTINUES INVESTMENTS HELD THROUGH WORMS & Cie S.A. (53.074% of Group consolidation)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
<b>Financing services</b>							
AP PERMAL SA	FRANCE	15,532,085.80	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS W MANAGEMENT SAS	99.999 0.000	99.999 0.000
FINANCIERE WORMS & CIE S.A.	SWITZERLAND	5,000,000.00	CHF	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL ASSET MANAGEMENT INC	USA	10.00	USD	100.00	WORMS & CO INC.	100.000	100.000
PERMAL CAPITAL HOLDINGS INC	USA	100.00	USD	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL CAPITAL MANAGEMENT LLC	USA	3,424,498.00	USD	100.00	PERMAL CAPITAL HOLDINGS INC	99.000	99.000
PERMAL GROUP SCA	FRANCE	286,219,820.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS W MANAGEMENT SAS	100.000 0.000	100.000 0.000
PERMAL INVESTMENT MANAGEMENT SERVICES LIMITED	UNITED KINGDOM	7,000,000.00	GBP	100.00	WORMS & CO LTD	80.000	80.000
THE ST JAMES TRUST & CO LTD	BAHAMAS	1,000,000.00	USD	100.00	FINANCIERE WORMS & CIE SA	100.000	100.000
W & P FUND SERVICES LTD	BAHAMAS	500,000.00	USD	100.00	FINANCIERE WORMS & CIE SA	100.000	100.000
WORMS & CO INC	USA	535,081.00	USD	100.00	PERMAL GROUP SCA	100.000	100.000
WORMS & CO LTD	UNITED KINGDOM	120,000.00	GBP	100.00	PERMAL GROUP SCA	100.000	100.000
<b>Miscellaneous and Holding companies</b>							
ANTONIN RODET SAS	FRANCE	2,400,000.00	EUR	100.00	W PARTICIPATIONS SAS	100.000	100.000
GEP S.P.A.	ITALY	1,571,152.00	EUR	90.71	W PARTICIPATIONS SAS ARJO WIGGINS SECURITY SAS	30.640 60.070	30.640 60.070
SOCIETE FERMIERE ET DE PARTICIPATIONS S.A. (in liquidation)	FRANCE	2,287,500.00	EUR	100.00	W PARTICIPATIONS SAS	99.985	99.985
SOCIETE MOBILIERE DE PLACEMENTS SAS	FRANCE	915,000.00	EUR	100.00	W MANAGEMENT SAS	100.000	100.000
W MANAGEMENT SAS	FRANCE	76,916,655.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
W PARTICIPATIONS SAS	FRANCE	42,323,123.70	EUR	100.00	SOCIETE MOBILIERE DE PLACEMENTS SAS WORMS & CIE S.A. A DIRECTOIRE ET CS	7.214 92.786	7.214 92.786

CONTINUES INVESTMENTS HELD THROUGH WORMS & Cie S.A. (53.074% of Group consolidation)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
<b>COMPANIES VALUED BY THE EQUITY METHOD</b>							
<b>Paper</b>							
DIMAGRAF SA	ARGENTINA	100,000.00	ARS	22.20	INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA	22.200 7.800	22.200 7.800
ESPECIALIDADES PAPELERAS ESPAVE C.A.	VENEZUELA	6,000,000.00	VEB	33.47	TORDERA S.A.	33.500	33.500
MWT PAPER PROCESSING LIMITED	MAURITIUS	3,000,000.00	MUR	50.00	ANTALIS SA HOLDINGS LIMITED	50.000	50.000
QUIMAGRAF SA	ARGENTINA	5,000.00	ARS	22.20	INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA	22.200 7.800	22.200 7.800
SHIRO PACIFIC PAPER (SINGAPORE) PTE LTD	SINGAPORE	10,000,000.00	SGD	40.00	ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	40.000
SHIRO PAPER (MALAYSIA) SDN. BHD.	MALAYSIA	4,700,000.00	MYR	40.00	ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	14.286
<b>Financing Services</b>							
IFABANQUE S.A.	FRANCE	15,785,200.00	EUR	25.00	PERMAL GROUP SCA	25.002	25.002
SGS S.A. / SGS LTD	SWITZERLAND	156,443,320.00	CHF	23.77	WORMS & CIE S.A. A DIRECTOIRE ET CS	23.773	23.773
<b>Miscellaneous and Holding companies</b>							
PECHTEL INDUSTRIES SAS	FRANCE	92,287,500.00	EUR	39.03	W PARTICIPATIONS SAS	39.032	39.032
<b>COMPANIES VALUED AT COST</b>							
<b>Paper</b>							
ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH	GERMANY	25,564.59	EUR	-	ARJO WIGGINS SAS	100.000	100.000
GANOS 20 LIMITED (in liquidation)	UNITED KINGDOM	2.00	GBP	-	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
ISSY 5 EURL	FRANCE	8,000.00	EUR	-	ARJO WIGGINS SAS	100.000	100.000
LODI 11 SAS	FRANCE	40,000.00	EUR	-	ARJO WIGGINS SAS	100.000	100.000
PAPELCO SAI CIF	ARGENTINA		USD	-	WITCEL S.A.	99.776	99.776
SOCIETE CIVILE IMMOBILIERE DU MARAIS	FRANCE	152.45	EUR	-	ARJO WIGGINS SAS ARJO WIGGINS LE BOURRAY SAS	95.000 5.000	95.000 5.000
WIGGINS TEAPE PENSIONS LIMITED	UNITED KINGDOM	3.00	GBP	-	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
<b>Financing Services</b>							
HH REPURCHASE	DUTCH ANTILLES	30,000.00	USD	-	W & P FUND SERVICES LTD	40.000	40.000
<b>Miscellaneous and Holding companies</b>							
AP BUSINESS SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP CROISSANCE SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP FRANKLIN SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP GESTION ET FINANCEMENT SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP PLACEMENTS SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP STRATEGIE SAS	FRANCE	40,000.00	EUR	-	AP FRANKLIN SAS	100.000	100.000
AP VALORISATION SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
CHATEAU DE MERCEY DOMAINE RODET SAS	FRANCE	542,500.00	EUR	-	ANTONIN RODET SAS	100.000	100.000
DUCS DE SAVOIE	FRANCE	210,000.00	FRF	-	SOCIETE MOBILIERE DE PLACEMENTS SAS	23.810	23.810
DUVERGEY S.A.R.L.	FRANCE	7,622.45	EUR	-	ANTONIN RODET SAS	95.000	95.000
FINANCIERE DES GRANDS VIGNOBLES DE BOURGOGNE SAS	FRANCE	4,575,000.00	EUR	-	ANTONIN RODET SAS	35.625	35.625
FRANKLIN INTERNATIONAL SAS	FRANCE	40,000.00	EUR	-	W PARTICIPATIONS SAS	100.000	100.000
S.C.I. ELISEE RECLUS PARIS 17E	FRANCE	1,000.00	FRF	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	50.000	50.000
SCE DU DOMAINE DE LA BRESSANDE	FRANCE	15,244.90	EUR	-	ANTONIN RODET SAS	99.800	99.800
SOCIETE D'EXPLOITATION DU DOMAINE D E L'AIGLE (SCEA)	FRANCE	642,430.00	EUR	-	ANTONIN RODET SAS CHATEAU DE MERCEY DOMAINE RODET SAS	99.998 0.002	99.998 0.002
WORMS GESTION ADMINISTRATIVE (GIE in liquidation)	FRANCE	N.D.	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
W SYSTEMES ET INFORMATION	FRANCE	N.D.	EUR	-	ANTALIS INTERNATIONAL SAS ARJO WIGGINS SAS PERMAL GROUP SCA WORMS & CIE S.A. A DIRECTOIRE ET CS	40.000 37.000 8.000 15.000	40.000 38.000 8.000 15.000



## INVESTMENTS HELD THROUGH NHT New Holding for Tourism B.V. (90% of Group consolidation)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
<b>Companies consolidated on a line-by-line basis</b>							
<b>Hotel management</b>							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALTAMAREA V & H COMPAGNIA ALBERGHIERA S.r.L.	ITALY	140,385.00	EURO	60.003	ALPITOUR S.p.A.	60.003	60.003
BLUE MARIN TUNISIE S.A.	TUNISIA	3,000,000	TND	99.998	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA	99.998	99.998
BLUEMARIN HOTEL S.A. DE C.V.	MEXICO	65,956,258	MXP	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL JUMBO RENTA S.A. UNIPERSONAL	99.998 0.002	99.998 0.002
BLUEMARIN SERVICES S.A. DE C.V.	MEXICO	50,000	MXP	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL JUMBO RENTA S.A. UNIPERSONAL	99.998 0.002	99.998 0.002
BLUMARIN HOTELS, SOCIEDADE UNIPessoal, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	11,000,000.00	EURO	70.000	ALPITOUR S.p.A.	70.000	70.000
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A. HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000 1.000	99.000 1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	59.625	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.375	99.375
ELSHAH FOR FLOATING HOTELS	EGYPT	6,000,000	EGP	59.802	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.670	99.670
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPessoal LDA	PORTUGAL	5,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, 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	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPessoal LDA	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	60.000	RENTHOTEL ITALIA S.r.l.	60.000	60.000
JUMBO RENTA S.A. UNIPERSONAL	SPAIN	1,267,210.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	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 LTD	TANZANIA	745,559,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA	98.964 1.036	98.964 1.036
KIWENGWA STRAND HOTEL LTD	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA	99.000 1.000	99.000 1.000
MEDITERRANEAN TOURIST COMPANY S.A.	GREECE	3,603,900.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	58.966	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	98.276	98.276
RENTHOTEL ITALIA S.r.l.	ITALY	52,000.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	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
RENTHOTEL TUNISIE S.A.	TUNISIA	200,000	TND	99.970	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.970	99.970
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPessoal LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A. HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000 1.000	99.000 1.000
<b>Insurance company</b>							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	750,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA	100.000	100.000
<b>Distribution (Travel agency)</b>							
BLUE VIAGGI S.A.	SWITZERLAND	100,000	CHF	97.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA	97.000	97.000
WELCOME TRAVEL GROUP S.P.A.	ITALY	8,700,000.00	EURO	90.000	NHT NEW HOLDING FOR TOURISM BV	100.000	100.000
<b>Incoming services</b>							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	90,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPessoal, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	75.840	JUMBOTURISMO S.A.	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	75.461	JUMBOTURISMO S.A. JUMBO CANARIAS S.A. UNIPERSONAL JUMBO TOURS ESPANA S.L. UNIPERSONAL	99.300 0.100 0.100	99.300 0.100 0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EURO	75.840	JUMBOTURISMO S.A.	100.000	100.000

CONTINUES INVESTMENTS HELD THROUGH NHT New Holding for Tourism B.V. (90% of Group consolidation)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
JUMBO TOURS FRANCE S.A.	FRANCE	152,400.00	EURO	49.281	JUMBOTURISMO S.A.	64.980	64.980
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EURO	87.920	ALPITOUR S.p.A. JUMBOTURISMO S.A.	50.000	50.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	74.323	JUMBOTURISMO S.A.	98.000	98.000
JUMBO TOURS SICILIA S.r.l.	ITALY	99,999.00	EURO	61.544	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	300,000	TUD	37.907	JUMBOTURISMO S.A.	49.983	49.983
JUMBOTURISMO S.A.	SPAIN	364,927.20	EURO	75.840	ALPITOUR ESPANA S.L. UNIPERSONAL	75.840	75.840
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	75.840	JUMBOTURISMO S.A.	100.000	100.000
PANAFRICAN TOURS S.A.	MOROCCO	400,000	MAD	99.700	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	99.700	99.700
PANCARIBE S.A.	DOMINICAN REP.	200,000	DOP	69.900	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	69.900	69.900
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	74.323	JUMBOTURISMO S.A.	98.000	98.000
<b>Tour operating</b>							
ALPITOUR S.P.A.	ITALY	16,675,000.00	EURO	100.000	NHT NEW HOLDING FOR TOURISM BV	100.000	100.000
COMPAGNIA DELLA NATURA S.p.A.	ITALY	155,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
FRANCOROSSO INCENTIVE S.r.l.	ITALY	10,400.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
JUMBO GRANDI EVENTI S.r.l.	ITALY	78,000.00	EURO	61.544	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
SPORTIME S.r.l.	ITALY	52,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000

CONTINUES INVESTMENTS HELD THROUGH NHT New Holding for Tourism B.V. (90% of Group consolidation)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
<b>Companies valued by the equity method</b>							
<b>Hotel management</b>							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49.000	49.000
<b>Incoming services</b>							
HOY VIAJAMOS S.A.	SPAIN	121,800,000	ESP	21.712	JUMBOTURISMO S.A.	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	500,000	ESP	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	37.920	JUMBOTURISMO S.A.	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	84,991,500	ESP	18.960	JUMBOTURISMO S.A.	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	10,000,000	ESP	30.000	ALPITOUR S.p.A.	30.000	30.000
<b>Travel organization</b>							
PROMOVIAGGI S.p.A. - PROMOTIONS VIAGGI E TURISMO	ITALY	103,200,000	EURO	60.000	FRANCOROSSO INCENTIVE S.r.l.	60.000	60.000
VIAGGI DELL'ELEFANTE S.r.l.	ITALY	260,000,000	EURO	35.000	ALPITOUR S.p.A.	35.000	35.000
<b>Airline</b>							
NEOS S.P.A.	ITALY	4,425,800.00	EURO	50.000	NHT NEW HOLDING FOR TOURISM BV	50.000	50.000
<b>Companies valued at cost</b>							
<b>Hotel management</b>							
FLASH NILE CRUISES	EGYPT	480,000.00	EGP	40.000	ALPITOUR S.p.A	25.000	25.000
					FRANCOROSSO INCENTIVE S.r.l.	15.000	15.000
FLASH TOUR P.L.C.	EGYPT	7,000,000	EGP	20.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	20.000	20.000
BLUMARIN DE IMPORTAÇÃO, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
<b>Distribution (Travel agency)</b>							
Agenzia AC TOUR MINERVA S.r.l.	ITALY	156,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
AIRPORT & TRAVEL S.r.l.	ITALY	50,000.00	EURO	49.000	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
SAUGO VIAGGI S.r.l.	ITALY	20,936.00	EURO	77.126	WELCOME TRAVEL GROUP S.p.A.	77.126	77.126
SCERNI VIAGGI S.r.l.	ITALY	50,000.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
TEAM TRAVEL SERVICE S.r.l.	ITALY	102,000.00	EURO	50.000	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
TREND S.r.l.	ITALY	47,000.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
WELCOME WE TRAVEL S.R.L.	ITALY	100,000.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
<b>Incoming services</b>							
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO	75.840	JUMBOTURISMO S.A.	100.000	100.000
INFRATOURS DOMINICANA S.A.	DOMINICAN REP.	400,000.00	DOP	37.541	JUMBOTURISMO S.A.	49.500	49.500
LIBELLULE COMERCIO, GESTAO E SERVICIOS LDA.	PORTUGAL	400,000.00	PTE	75.840	JUMBOTURISMO S.A.	100.000	100.000
<b>Tour operating</b>							
ARSEDUCANDI S.r.l.	ITALY	40,000	EURO	18.000	PROMOVIAGGI S.p.A. - PROMOTIONS VIAGGI E TURISMO	30.000	30.000

## OTHER COMPANIES VALUED AT COST

Name	Country	Capital stock at 12/31/2003	Currency	Interest held by	% of Group consolidation	% of voting rights
<b>Paper</b>						
EXPRESSO PAPER PLATFORM BV	NETHERLANDS	3,346,410.20	EUR	ANTALIS INTERNATIONAL HOLDINGS BV	12.895	12.895
<b>Miscellaneous and Holding companies</b>						
JUSTRADEIT S.A. (LIQUIDATION)	FRANCE	192,593.00	EUR	W PARTICIPATIONS SAS	15.385	15.385





